Austria	Sch.15	Luxembourg	Fr.35
Belgium	Fr.35	Malaysia	Rin3.85
Canada	C$2.50	Netherlands	Fl.2.25
Denmark	Kr.7.00	Norway	Kr.6
Finland	FM5	Portugal	Esc80
France	Fr.5.00	Singapore	S$3.80
Germany	DM2	Spain	Pta85
Greece	Dr.50	Sweden	Kr. 6
Indonesia	Rp1650	Switzerland	Fr.2
Italy	L1100	Turkey	L130
Japan	Y550	U.S.A.	$1.50

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,038 — Thursday March 31 1983 — D 8523 B

Taking a common sense view of interest rates, Page 17

NEWS SUMMARY

GENERAL

Thatcher delays election decision

British Premier Margaret Thatcher admitted that the weakness of sterling might affect the timing of the next general election.

She said in a radio interview that the question of making a decision would not arise until May 3, four years after the last election. She thought that the dollar would weaken "in due course," but "we would have to live through the interim."

Mrs Thatcher strongly criticised strikers at the Ford Halewood and BL Cowley motor plants. Page 7

Hawke calls a halt

Australia's new Labor Premier Bob Hawke has ordered a halt to work on the controversial A$530m ($450m) Gordon River hydro scheme which brought major environmental protests. The Tasmanian state government says the decision is unconstitutional. Page 4

Palestinian Protest

The 1.2m Palestinians in the occupied West Bank and Gaza Strip and the 600,000 Israeli; Arabs staged protest meetings and strikes and threw grenades and stones at the military on the seventh anniversary of Israeli occupation of their lands. Page 4

Nkomo plans return

Zimbabwe Opposition leader Joshua Nkomo said in London he would return in the next few weeks. He said he had been planning to leave next Wednesday, but the Zimbabwe Catholic bishops' statement on Matabeleland atrocities and the Mugabe Government's denial had brought a new dimension. Plea rejected, Page 4

S Africa referendum

South African Premier P. W. Botha said there would be a referendum among whites on the proposals for a new constitution, which calls for a three-chamber system, with a French-style executive president.

French export

French officials said a shipment of highly toxic dioxin waste from a Seveso, Italy, chemical plant leak in 1976, has been transferred to a neighbouring country. Plant owners Hoffmann-La Roche said the waste was not in Italy or Switzerland.

Hungarian raids

Hungarian police raided five Budapest flats, one a newly opened centre for dissident publishing, and seized literature.

South Korean pledge

South Korean police pledged an end to torture in criminal investigations after the death of a businessman in detention.

Slow Soviet post

The Soviet postal system is less efficient than 100 years ago, said the Literaturnaya Gazeta newspaper. Leningrad-Moscow letters could be delayed a week and a letter from Siberia took seven days.

Briefly . . .

Kampala: Former Uganda police commander was jailed for wrongfully imprisoning a businessman and stealing his car.

Singapore: Skyhawk strike aircraft collided with an Australian Mirage fighter. Both pilots ejected safely.

Le Mans: Japanese motorcyclist Iwoo Ishikawa died after crashing in practice for the French grand prix.

The Financial Times will not be published tomorrow or on Monday. The Saturday edition will be published, as normal, from London.

BUSINESS

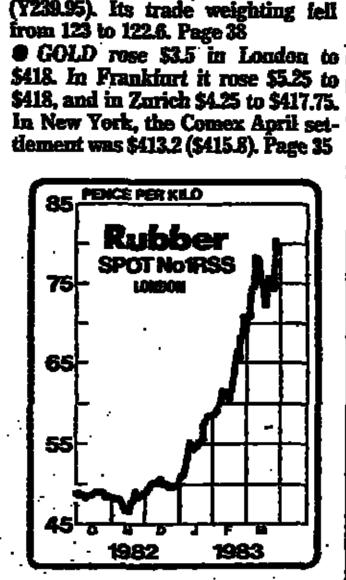
American General in $1bn takeover

● AMERICAN GENERAL, fourth biggest U.S. public insurance company, is making an agreed bid of more than $1bn for the insurance operations of Gulf United. Page 19

● STERLING improved after the announcement of BNOC oil price cuts. It rose 1c to $1.4645, and DM 3.5575 (DM 3.5375), FFr 10.645 (FFr 10.6), SwFr 3.0525 (SwFr 3.03) and Y 351.5 (Y349.5). Its Bank of England trade weighting rose from 78.2 to 78.5. Page 38

● DOLLAR fell to DM 2.4275 (DM 2.4305), FFr 7.27 (FFr 7.2875), SwFr 2.083 (SwFr 2.081) and Y239.75 (Y239.95). Its trade weighting fell from 123 to 122.6. Page 38

● GOLD rose $3.5 in London to $418. In Frankfurt it rose $5.25 to $418, and in Zurich $4.25 to $417.75. In New York, the Comex April settlement was $413.2 ($415.8). Page 35



● RUBBER prices rose in London. The RSS No 1 spot quotation closed 1.5p up at 80.5p ($1.18) a kilo. Page 35

● LONDON: FT Industrial Ordinary index eased 1.1 to 651. Government Securities showed useful gains. Page 31. FT Share Information Service, Pages 36, 37

● WALL STREET: Dow Jones index closed up 12.10 at 1143.29. Page 31, Full share listings, Pages 32–34

● TOKYO: Nikkei Dow index, still setting records, gained 22.48 to reach 8446.61, and the Stock Exchange index was 1.25 up at 616.29. Report, Page 31. Leading prices, other markets, Page 34

● WEST GERMAN cost of living index fell 0.1 per cent in February, according to provisional figures, the first fall since August. The annual inflation rate was down to 3.5 per cent

● SOUTH AFRICAN budget sees Government spending just over 10 per cent year up on revised estimate for present financial year at R1.97bn ($1.8bn), with spending on education 13 per cent up and defence 15.9 per cent up. Page 4. Assistance to marginal gold mines is being phased out. Page 4

● SWEDISH Government and creditors have agreed a rescue plan for Nyby Uddeholm stainless steel group. Page 19

● TURKEY published a Petroleum Act, with incentives to encourage foreign investment in oil exploration and production. Page 2

● INDONESIA devalued the rupiah by 27.5 per cent. Page 4

● SAUDI ARABIA has halved the charge for carrying oil in the trans-Arabia pipeline to 25c a barrel and will not renew at the end of the year its contract with Mobil to operate the pipeline.

● SWISS NATIONAL BANK is setting aside SwFr 2.03bn ($977m) of its 1982 earnings of SwFr 2.15bn as provision against currency risks.

● DEUTSCHE BANK 1982 profits fell 16.9 per cent to DM 342.75m ($141.6m), after write-offs and provisions. Page 19

● BOWATER, UK pulp and paper group, reported profits 32 per cent down at £72.5m ($106.2m). Lex, Page 18; details, Page 22

NEW OFFER MENTIONS NO SPECIFIC FIGURES

Reagan says allies back his plan for interim arms deal

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

President Ronald Reagan yesterday claimed the total backing of the U.S.'s European allies for a new offer to the Soviet Union in the Geneva negotiations on *intermediate range nuclear missiles in Europe, unveiled* in a blaze of publicity at the White House.

Mr Reagan confirmed that the U.S. had proposed an interim agreement under which the numbers of warheads on both sides would be equally balanced at levels significantly below the 572 that the U.S. is planning to deploy on cruise and Pershing 2 missiles, starting from the end of the year.

Mr Reagan said that if an interim agreement was reached, the negotiations should continue with the aim of achieving a total ban on all intermediate-range weapons, the so-called "zero option," which he first proposed in November, 1981, in response to European requests. While the U.S. is still sticking to the zero option as an ultimate objective, officials said that talks on an interim agreement could start without pre-conditions.

Moscow has adamantly rejected the zero option, which would require it to dismantle the roughly 1,300 warheads it has now deployed, in exchange for an American undertaking not to deploy any of its new cruise and Pershing 2 missiles.

As a result, West European leaders have been pressing Mr Reagan to make a new negotiating offer, falling short of the zero option, to try to break the deadlock in Geneva, where the talks have been going on for more than a year. The White House yesterday stressed that the U.S. would continue to be "as flexible as possible" in the talks.

The new U.S. offer makes no mention of specific numbers – the idea being that it is now up to Moscow to suggest what level it would accept. It also specifically rejects the Soviet contention that the British and French independent strategic forces should be counted in as part of the equation.

Officials said that even with reduced levels, the U.S. still planned to deploy the weapons on time in all five countries that have been designated to receive them – the UK, West Germany, Italy, Belgium and the Netherlands. The mix would still include both the ballistic Pershing 2s, which can reach the Soviet Union in a matter of minutes from West Germany, and the slower, groundhugging cruise, they said.

The only factor that would prevent deployment would be full Soviet acceptance of the zero option, they added.

To back its claims of European support, the White House simultaneously released a report on a meeting of Nato's Special Consultative Group, held in Brussels on March 25. It said that the Nato allies "welcome and strongly support" the new American initiative, which had been the product of close allied consultations. The move repre-

Continued on Page 18

Space-age weapons, Page 16
Editorial comment, Page 16

U.S. recovery may falter

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. index of leading economic indicators increased by 1.4 per cent in February, after a near-record 3.5 per cent jump the previous month, the Commerce Department reported yesterday.

But the conviction is growing in both the Reagan Administration and the private sector that this year's economic recovery will be faltering and modest by historic standards.

The leading indicators have lost much of their credibility, after inaccurately signalling a recovery for most of last year.

Money supply growth, a figure which is being severely distorted by changes in banking regulation, was the strongest component in February's index. The index had been expected to increase by less than 1 per cent by most Wall Street economists. Stock prices on Wall Street have been another extremely strong, but dubious, element in the index of leading indicators for the past nine months.

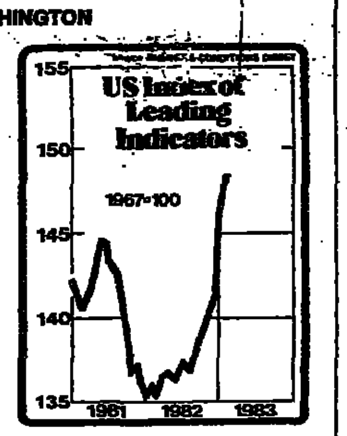
Seven of the 10 components of the index contributed to February's improvement. These were initial claims for unemployment benefits, delivery times, business formation, building permits and material prices, as well as stock prices and money supply.

But the three components which fell – new orders for consumer goods, the average working week and orders for plant and equipment – are considered by some economists to be among the more accurate reflections of the state of the economy.

Another bearish aspect of yesterday's Commerce Department report was that the index of coincident indicators, which is supposed to gauge changes in economic activity as they occur, fell by 0.2 per cent after rising 1.1 per cent in January.

Although the Reagan Administration last week revised its official forecast upwards from 3.1 per cent to 4.7 per cent growth between the fourth quarters of 1982 and 1983, this was in fact a victory for the President's more cautious economic advisers.

Some White House and Treasury economists had argued forcefully for a forecast of 6 to 7 per cent growth after the release of January's economic statistics.



In addition to the very strong leading indicators, January brought a surge in money growth and encouraging news on housing, industrial production and unemployment.

Figures for February which have been trickling out over the past few weeks have been rather less rosy. Retail sales, durable goods orders, automobile sales, consumer credit, building permits and employment have all been relatively weak.

February's industrial production rose by 0.3 per cent, defying the more extreme pessimists, who had been expecting it to fall after its jump of 1.1 per cent in January. It did, however, underline the fact that the strength of all January's economic figures was probably an aberration, due in part to the exceptionally mild weather.

While there is an almost universal expectation now that the U.S. economy will recover in 1983, hopes are evaporating that this year's recovery will be as strong as the average 6 per cent growth registered during the first year after a recession in past U.S. business cycles.

Both Mr Martin Feldstein, chairman of the Council of Economic Advisers and Mr Donald Regan, the Treasury Secretary, have warned that exceptionally high real interest rates and an overvalued dollar will produce an "unbalanced" recovery this year, with little or no growth in investment and "huge" trade deficits.

The 1983 trade deficit is, however, expected to be nearer $60bn than $70bn because of the fall in oil prices.

Japan to cut tax after July

By Jurek Martin in Tokyo

THE JAPANESE Government appears to have revised key elements of the package of stimulatory economic measures it is due to announce next week, probably on Wednesday.

The Cabinet and leading members of the ruling Liberal Democratic party conferred on the details in Tokyo yesterday. Afterwards Mr Masaharu Gotoda, chief cabinet secretary, disclosed that:

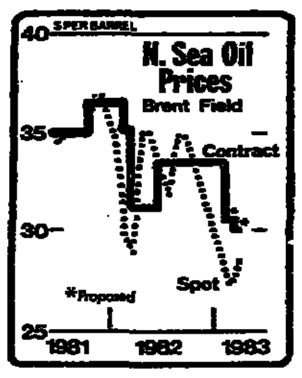
● The Government's promised income tax cut will only come after July, when final revenue figures for the fiscal year ending today are known. The Government will stand by its pledge to the parliamentary opposition that the cut will be in the region of Y1 trillion ($4.17bn).

● The package will not include plans for additional investment in advanced technologies, because it might invite international criticism. Earlier this week a delegation from the U.S. House of Representatives indicated to Japan's Ministry of International Trade and Industry that many congressmen had shifted their criticism of Japanese trade practices to the more broad-based allegation that government assistance to and direction of Japanese industry was inherently unfair.

● The main elements of the package are expected to include a front-loading of the next fiscal year's public works spending in the first half, as frequently done in the past, relief for small businesses, which have borne the brunt of high real interest rates in Japan, further help for structurally depressed industries and some new employment incentives.

The government proclamation will also refer to the need for "flexible" monetary policy. This is likely to mean a cut in the discount rate within the next week or two from the 5.5 per cent in force since December, 1981.

It is known that Mr Yasuhiro Nakasone, the Prime Minister, is keen to go to the Williamsburg summit at the end of May, with tangible evidence that Japan is nudging along the economic recovery process.



BNOC in bid for North Sea price cuts

By Ray Dafter in London

BRITISH National Oil Corporation (BNOC) has proposed a North Sea reference price of $30 a barrel, in line with the price of similar Nigerian crude, in a bid to aid pricing stability in world oil markets.

But state-owned BNOC, the main trader of UK crude, has also recommended that the majority of North Sea production should be significantly cheaper, in general between $28.80 and $29.75 a barrel.

This could create concern in the Organisation of Petroleum Exporting Countries (Opec) as well as friction among some of the buyers and sellers of North Sea oil.

The pricing package, presented to BNOC customers yesterday, has been designed to avoid retaliatory price cutting by Opec members, especially Nigeria which made clear that it would match any reduction below $30 "cent by cent."

Under BNOC's pricing formula:

● The original North Sea price structure based on $33.50 a barrel would apply to all transactions up to the end of January.

● For February transactions prices would be based on the reference rate of $30.50 a barrel already recommended by BNOC and accepted by about half of its customers.

● From March 1 $30 a barrel would be recognised as the North Sea reference price charged on deliveries carried through the Brent pipeline system. This would result in a 50 cents reduction from the recommended February price for Brent.

BNOC has selected Brent as the reference crude because it is the most widely-traded North Sea oil, accounting for about one-third of the UK output of 2.2m-2.3m barrels a day.

● The prices of crudes of lower quality than Brent are due to fall 75 cents from their February level, for example, to $29.75 for Forties oil (the previous reference crude), $29.35 for Ninian oil, $29.00 for Beatrice oil, and $28.80 for Flotta oil.

Continued on Page 18

Fail-safe gas supply urged for W. Europe

BY PAUL BETTS IN PARIS

THE International Energy Agency (IEA) is recommending "fail-safe" gas supply agreements with the Netherlands and Norway to protect other West European countries from a shut-off of Soviet and Algerian gas supplies.

The Paris-based agency is also recommending that no single European country depend on one gas supplier for more than 30 per cent of its annual gas needs. The IEA warns that countries like France, Austria, Italy, Belgium und West Germany could be exposed to "special risks" because of their heavy dependency on a limited number of large suppliers, namely Algeria and the Soviet union.

The IEA recommendations are contained in reports, still in incomplete draft form, being prepared for the Williamsburg Summit of the seven leading industrialised nations at the end of May.

They were leaked in Paris yesterday to the French news agency, Agence France Press. The leak appears to be part of the political build-up for the Williamsburg Summit, where the issue of East-West trade, especially involving energy, will be in the spotlight. The leak also comes at a time of increasing signs of another possible major dispute on Soviet trade between the U.S. and its Western allies.

The recommendations on West European gas supplies form part of a chapter of a broad study, jointly being undertaken by the IEA and its larger sister body, the Organisation for Economic Co-operation and Development (OECD) on energy security in the industrialised world. A detailed study on the security of Western European gas supplies is being simultaneously prepared by the IEA.

Both complementary studies were launched last winter when the Reagan Administration lifted its sanctions against the Siberian gas pipeline. The studies are part of the framework on which the Western powers will negotiate an eventual coordination of East-West trade relations.

The IEA is estimating that Western Europe and Japan will have to more than double their gas imports between now and 1995. Warning of the risks of too heavy a dependency on one or two suppliers, the draft points out that Austria already depends on the Soviet Union for more than 75 per cent of its gas. By 1990, France is expected to depend on the Soviet Union for 25 per cent of its *gas and on Algeria for more than a* quarter of its gas needs, according to the leaked IEA studies.

Continued on Page 18

Two Korf companies declared bankrupt

BY JAMES BUCHAN IN BONN

THE MASTER company and the West German holding company of Herr Willy Korf's collapsed steel and engineering group were declared bankrupt yesterday, after failing to gain a court-supervised debt settlement.

The Baden-Baden municipal *court yesterday declared Korf In*dustrie und Handel (KIH), the master company wholly owned by Herr Korf, and Korf Stahl, the German holding shared between KIH and the state of Kuwait, to be bankrupt after failing to meet the minimum 35 per cent payment to creditors required under court-supervised composition proceedings.

Despite several disposals since applying for composition proceedings in January, Korf Stahl can cover only DM 30m ($12.3m) of its DM 280m in liabilities. KIH is in debt to around the same amount, including mutual liabilities with Korf Stahl.

The amount creditors eventually receive will depend on whether the two companies manage to dispose of the remaining holdings, above all KIH's 70 per cent indirect stake in Korf Industries Inc, Herr Korf's U.S. holding company, and Korf Stahl holdings in West Germany, France, Saudi Arabia and Brazil.

Badische Stahlwerke, Herr Korf's chief domestic steelmaker, has used guarantees from the local government of Baden Württemberg and help from local banks to take over Korf companies to create a steel and steel-finishing group

Disposal of the remainder, including a 51 per cent stake in Hamburger Stahlwerke, would, however, be a "large and difficult task."

Milan's steelmakers, Page 3

CONTENTS

EUROPEAN NEWS

David Housego in Paris and **Jonathan Carr** in Bonn evaluate the state of the Franco-German relationship after the EMS row

Double delight in Paris, but no thanks

"WHAT FRANCE needs most from West Germany is a pick-up in the German economy," said a senior French official, reflecting on the state of the relationship after the bruising tussle over realignment of EMS parities and the subsequent French austerity package.

In fact Paris was delighted that on the Thursday before the Brussels negotiations of March 19-21, the West German authorities lowered interest rates by 1 per cent. But in the manoeuvring to bulldoze the West Germans into carrying out a substantial D-Mark revaluation, they got no thanks—only a blunt reference by M Jacques Delors, the French Finance Minister, to their "arrogance." (At that moment M Delors needed to show domestic opinion as well as the Germans that in any bargaining, he was hanging tough).

France took a double delight in the German move both because in time it should allow French interest rates to come down too and because is should accelerate an economic recovery in Germany. The French Government blames much of last year's large bilateral trade deficit with West Germany, *representing more than a third* of the total French trade deficit, on the fact that French GNP expanded in real terms at 1.5 per cent while Germany's fell by 1.1 per cent. As a result, German industry sold in France the goods it was unable to sell in its own depressed market.

In now planning for zero economic growth this year, the French are deliberately keeping a notch below West Germany. But any increase in West German activity would enable them to raise their growth, and hence employment targets, and expand exports.

Now that the dust has settled over the Brussels skirmish and the Germans "did their duty" in M Delors' words (he is likewise expecting them to "do their duty" on a number of other outstanding issules), the relationship is seen is Paris as emerging stronger from the test.

> Now that the dust is settled and the West Germans have "done their duty," the relationship is seen in Paris as emerging stronger from the test. France has demonstrated its commitment to the EMS and is relieved to see a solidly-based government established in Bonn.

It is not only that France has demonstrated its commitment to the EMS and thus avoided the open protectionist policies that *would have been consequent on* pulling out. But the French are also relieved to see a solidly-based government established in Bonn.

The Quai d'Orsay points out that the only time since May 1981 that it has commented publicly on an election result abroad was after the recent West German poll, when it welcomed the emergence of a firmly-based majority. The French nightmare had been an indecisive result meaning that for the first time since the war France would have had an *unstable partner in Bonn.*

Chancellor Helmut Kohl's victory has also been privately welcomed because like President Mitterrand he is firmly committed to maintaining the nuclear balance in Europe and hence to the deploying of intermediate range weapons if the Geneva talks break down.

Paradoxically, French Socialist Governments prefer to see conservative administrations in the U.S. and West Germany because they are more orthodox on security issues. Thus, the French would prefer Mr Ronald Reagan to Mr Walter Mondale because they fear that Mr *Mondale could pull U.S. troops* out of Europe.

It is this fear of a "decoupling" of U.S. and European security interests that lies behind M Mitterrand's belief that Europe must look more to its own defence and *hence the need for more extensive* Franco-German co-operation over security issues. In unveiling to the Germans after October's Franco-German summit previously withheld details about France's tactical nuclear planning, President Mitterrand's aim was to set this process in motion.

He emphasised it again—calling for increased fulfilment of the security clauses in the 1963 Franco-German Treaty of Co-operation—during his speech to the Bundestag in January which the French see as the basic text on the evolution of the relationship.

In the same spirit, the French First Army stationed in West Germany has been taking part in exercises with Nato troops that leave little doubt that the French army would be committed early on in a European conflict instead of being held back to defend the French "sanctuary."

France's economic difficulties equally point towards greater co-operation over weapons manufacture. The French are now trying to interest the Germans in developing a new advanced fighter.

In terms of the EEC, France *now expects that her European* partners will be understanding about her economic problems. In the German context, that will soon be put to the test by the French demand that West Germany eliminate positive Monetary Compensation Amounts (MCAs)—which, through the subsidies they provide, boost West German agricultural exports. Negotiations over this will be handled by M Michel Rocard, the new French Agriculture Minister who needs to demonstrate his toughness to French farmers.

Apart from the agricultural issue, France will be looking for West German support over the issue of the British budget contributions and an increase in Community resources. President Mitterrand laid down the battle lines at the Brussels summit.

France is opposed to another interim settlement for Britain and believes that the British demand must be treated in the context of a further increase in Community resources (by marginally raising value added tax) and by off-budget financing of agreed new policies such as the development of energy resources.

President Francois Mitterrand (left) and Chancellor Helmut Kohl . . . a bumpy ride ahead, but the pessimists' case is not proven.

Enlightened self interest relieves irritation in Bonn

ON THE face of it, relations between West Germany and France might seem to be going to the dogs. Paris used unusually harsh words about the Bonn Government's initial reluctance to revalue the D-Mark within the European Monetary System (EMS). The two countries also have diverging views on a broad range of European Community (EEC) topics, ranging from agriculture and steel to Bonn's proposed Act of European Union.

Further, the two Governments hardly seem tailor-made for easy cooperation—with a Christian Democrat (CDU)-led administration strongly supporting a market economy just confirmed in Bonn and a Socialist-led one, tending towards state planning and control, in Paris. The case of the pessimists about Franco-German ties might seen proven.

In fact, from Bonn's standpoint the reality looks almost the opposite. West Germany's postwar cooperation with France was never easy—neither at the time of the bilateral friendship treaty of 1963 agreed by President Charles de Gaulle and Chancellor Konrad Adenauer, nor later. Even when the leaders in both countries were personal friends, things did not always run smoothly.

Crucial point

President Valery Giscard d'Estaing and Chancellor Helmut Schmidt had to hold up the start of the EMS, which they were chiefly responsible for creating, because of the demands of French farming interests.

The crucial point is that these two countries, formerly arch enemies, have built up so close a network of interests that it would be hard for either to break away without harming itself at least as much as the other.

For senior West German officials (both in government and central bank), this has been confirmed by the EMS realignment and, more importantly, by the French austerity package which followed it. There had been real initial fears at the highest level that France might, after all, break out of the EMS and intensify trade protectionist measures which would quickly spread throughout the EEC. For a time, the *seemingly unthinkable* looked as though it might just happen.

In the event, the Germans were greatly relieved at the direction taken by French economic policy (even if some officials feel that the 2.5 per cent devaluation of the franc was a bit *too small* and that some of the anti-inflation steps taken by Paris could have been tougher).

At first sight that seems odd, because Paris's efforts to cut its external deficit will hit, in particular, German exporters, who last year had a DM 17.3bn (£4.8bn) surplus on visible trade with France. But Bonn argues that if Paris succeeds in cutting inflation and reducing its deficit, then in the longer run it will be a still sounder partner, in economic and other fields.

This reasoning amounts to *one of enlightened self-interest.* The same goes for Bonn's attitude to France's new "Super Minister," M Jacques Delors. Despite M Delors' tough remarks about "Germany's "duty" to revalue during the EMS talks, the Bonn Government is not really irritated.

It has long believed that M Delors' "stability course" is the best for France, it knew that the Minister had opponents in Paris and that it was not helpful for him domestically to be seen as "Germany's darling." It would hardly be exaggerating to speak of a "stability" coalition between members of the Bonn *and Paris Governments,* existing virtually unseen behind the sharp public statements.

Better chances

The upshot is that Bonn now sees better chances of a convergence of economic performance between Germany and France—and hence less currency strain—than at any time since President Francois Mitterrand came to power. One cause of the especially big bilateral trade imbalance over the last two years was that the French economy grew more strongly than the German one—sucking in imports. This year the growth gap looks like narrowing, with the German economy gradually picking up steam and the French stepping on the brake.

Even leaving this economic issue aside, the Bonn and Paris Governments are not as far apart as the labels "conservative" and "socialist" might imply. On the crucial issue of *Western European defence,* Chancellor Helmut Kohl is clearly more to the taste of the hawkish M Mitterrand than the rival Social Democrat (SPD) candidate, Herr Hans-Jochen Vogel, would have been.

Indeed, M Mitterrand's speech in January in Bonn urging a tough Western stance towards Moscow on nuclear missiles, was one of the biggest boosts Herr Kohl received during the election campaign.

Joint project

True, the joint project for development of a battle tank for the 1990s seems to have gone down the drain—and it is hard to see so far where the intensified talks on military strategy, announced by both sides, are going to lead. But in Bonn the will to move towards closer defence co-operation with France is clearly there, fostered not least by the new Defence Minister, Herr Manfred Wörner—a francophile and fluent French-speaker.

None of this means that bilateral friction will soon be a thing of the past. Both countries have new Agriculture Ministers who could well be at loggerheads in the next round of the EEC farm price talks. The Germans want to press ahead faster than the French with EEC enlargement. They *also want firmer commitment*—by the French among others—to cut subsidies to the steel industry.

All that implies a bumpy ride ahead for both sides. But it seems likely to be eased by the recognition that Franco-German ties have just been confronted with a major test and have come through relatively unscathed.

Turkey eases oil rules

BY METIN MUNIR IN ISTANBUL

THE TURKISH Government yesterday published a Petroleum Act designed to encourage foreign investment in the exploration and production of oil in Turkey.

Foreign companies will be allowed to export *up to 35 per* cent of the crude they discover onshore and 45 per cent offshore and retain revenue from such sales. There are similar provisions for the discovery and development of gas, bituminous shales, and asphaltite.

In addition, the Act permits refineries *and pipelines* to be built in Turkey and provides for tax exemption on imports of equipment for oil exploration and production. Joint ventures may also be negotiated with the state-owned Turkish Petroleum Company.

The first large oil discovery was made in 1940 in the south-east of Turkey—close to Iraq and Syria—where all the main fields are located. Shell and Mobil are the only majors active in exploration and development in the country.

Annual domestic crude production is around 2.4m tonnes, compared to demand of 16m tonnes.

Portugal railmen face sack

BY DIANA SMITH IN LISBON

THE PORTUGUESE Government has "requisitioned" employees of the state-owned railways who are threatening a six-day strike over easter The requisition means they will be dismissed if they refuse to work.

Rail unions are demanding wage increases of about 28 per cent from the financially-crippled corporation and have stopped work repeatedly since January, often in conjunction with the Lisbon bus, tram and underground systems.

Thousands of Portuguese emigrants return by train for Easter from France and West Germany and the Government is trying to have enough staff working on the railways to keep the trains moving. Emigrants' remittances are a vital element of Portugal's external accounts and at their peak totalled more than [illegible] a year.

If the Government were to yield to the workers' wage demands it would cost the railways an extra Esc 1.6bn (£11m) a year, a sum borne with difficulty by a corporation more than [illegible] in the red.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates [illegible] per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

EUROPEAN NEWS

CHANCELLOR HELMUT KOHL'S TEAM SWORN IN

Greens boycott Cabinet ceremony

BY JONATHAN CARR IN BONN

THE WEST GERMAN cabinet was sworn in yesterday in a parliamentary ceremony boycotted by the opposition Greens and a few Social Democrats (SPD).

The 27 Green deputies, who have won seats in the Bundestag (Lower House) for the first time, marched out of the plenum claiming the ministerial oath of office to be a meaningless show. Some SPD members joined them in protest at the re-appointment as Interior Minister of Herr Friedrich Zimmermann, a member of the conservative Bavarian Christian Social Union (CSU).

When parliamentary debate resumed, the Greens raised a hubbub by calling Herr Franz Josef Strauss, the CSU leader, a "wandering pistolero" fond of visiting foreign dictators. The comment drew angry shouts both from the CSU and its big-sister party, the Christian Democratic Union (CDU) of Chancellor Helmut Kohl. Herr Strauss, Prime Minister of Bavaria, is not a Bundestag member.

However, despite their tough remarks and unconventional dress (jeans, sweaters and open-necked shirts), the Greens seem in danger of being almost patronised by leading members of the big parties.

Both Herr Willy Brandt, the SPD leader, and Herr Kohl have indicated that, far from seeing the new group as a threat to the system, they believe it to be proof of the vitality of West German democracy.

Speaking after his re-election as Chancellor on Tuesday night, Herr Kohl spoke fondly of the new, young generation and stressed the importance of environmental protection — one of the Greens' favourite themes.

This approach, in the view of many observers, suggests that the big problem for the Greens in the months of parliamentary grind ahead, will be to preserve their sense of identity and unity once the novelty of their presence has worn off.

In any case, Herr Kohl pointed out that now he had a clear mandate for his centre-right coalition for the next four years, he had more important issues than the existence of the Greens to concern him.

He mentioned in particular the possible deployment of new U.S. nuclear missiles on West German soil from the end of this year, the "necessary talks" with East Germany's leaders and, above all, the battle to reduce unemployment at home.

The Chancellor's new cabinet shows only two changes from the one he appointed last October—after he overthrew ex Chanchellor Helmut Schmidt in a parliamentary no-confidence vote.

Herr Ignaz Kiechle (CSU), becomes Farm Minister in place of Herr Josef Ertl (FDP), who had the job for more than 13 years. Herr Heinrich Windelen (CDU) becomes Inner-German Affairs Minister in place of Herr Rainer Barzel who was elected president (Speaker) of the Bundestag.

E. German training for young Poles

By Leslie Colitt in Berlin

EAST GERMANY is to give 100,000 young Poles a taste of "socialist education" in its summer holiday camps this year, under a new youth exchange programme.

In return, 35,000 young East Germans will visit Poland, while Polish children and teenagers are also to be sent to the Soviet Union, Hungary and Bulgaria.

East Germany, which initiated the youth exchange, halted tourist travel with Poland in late 1980 after the rise of the Solidarity trade union.

East Germans and Poles still cannot visit each other's countries, except in special cases, since the East German Government remains wary of the mood of the Polish population.

East Germany's Education Minister, Frau Margot Honecker, discussed the exchange this week with General Wojciech Jaruzelski, the Polish leader.

She also had talks with the Polish Minister of Education, Mr Boleslaw Faron. The East German news agency said one of the main *topics* was the „socialist education" of youth in both countries and the closer relationship between "school and life."

East German officials have long maintained that one important reason Poles were at odds with all their post-war governments was that young people in Poland were only superficially educated as "socialists."

They noted that the main influences on Polish youth were their largely apolitical families as well as the Catholic Church.

Netherlands to cut short cheap gas deal

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Government, under pressure from falling world gas prices, has announced that it intends to cut short a contract with an aluminium company guaranteeing it cheap gas until 1997.

Aldel, a company employing 700 workers in the northern town of Delfzijl, is a subsidiary of the Hoogovens steel group. Aluminium smelting is highly energy-sensitive, and the company was assured in 1963 that it would receive cut-price supplies from the nearby Groningen gas fields until almost the end of the century. The guarantee was, in fact, a major reason for both the establishment and the present location of Aldel.

Now Mr Gijs van Aardenne, the Economics Minister, has said that the arrangement must be renegotiated by 1988. Although the Government recently agreed to cut electricity costs to major users in order to aid the competitiveness of Dutch industry, the Aldel deal still stuck out, however, as an illogical — and costly—hangover from the days of cheap fuel, which is apparently to be brought to an end.

In the Hague, it is felt that decisions must be taken soon on the whole question of gas imports, export contracts, domestic sales and gas pricing. Revenue from gas fell sharply last year. Indeed, the reason why Mr Herman Ruding, the Finance Minister, wants to cut public spending this year by some Fl 2.5bn (£625m) more than the Fl 13bn figure already agreed by the centre-right coalition is that revenue from gas last year fell by some Fl 3.5bn.

But while one impulse has been to try to negotiate new export contracts and thus keep gas sales by value closer to their old levels, there is also the long-term question of conservation to consider.

The Netherlands has benefited greatly from discoveries of natural gas. Yet these represent only 1.8 per cent of the world's total supplies and, even if conserved under existing plans, reserves are expected to run out within the next 55 years. The Government believes it has a duty to succeeding generations not to squander a rich resource and constantly balances this moral imperative against the more prosaic need to keep its financial affairs in the black.

THE SOVIET UNION and Ruhrgas, the leading West German gas distribution company, have signed an agreement to supply from late 1985 Soviet natural gas to West Berlin, writes John Davies in Frankfurt. It involves building, from the Czechoslovak border through East Germany, 235 km spur in the complex pipeline network planned to pump Siberian gas to Western Europe.

The deal, to run until 2008, has to be approved by the West Berlin city authorities, but diversification of the city's energy supplies has long been a West German aim. West Berlin at present is largely dependent on coal and oil products to meet its energy needs.

The supply of Soviet gas will build up over a period of years to as much as 650m cubic metres annually.

Peter Bruce on Italy's independent steelmakers

Bresciani close ranks against the axemen in Brussels

ABOUT 200 of Europe's most efficient steelmakers descended on Milan on Monday, ostensibly to hear Viscount Etienne Davignon, the EEC Industry Commissioner, reply to a report putting their case for fair treatment from Brussels. In fact, the occasion was more a gathering of the clan—the Bresciani, Italy's independent "mini-mill" operators.

Disregarding the principles that put Italy's big, integrated public sector plants on the coast, the Bresciani have installed mini-mills far inland, chiefly around the city of Brescia. While most plants, ranging in capacity from 50,000 tonnes to 500,000 tonnes a year, are in the province of Brescia, Bresciani ownership can extend down to the south.

There are roughly 100 producers, most of whom also make their own raw steel from scrap in electric arc furnaces. Their main products are rods, bar and wire and a small amount *of special steel.*

Viscount Davignon told them little they had not heard before. The world steel crisis was not a temporary phenomenon. Despite the imposition of production quotas, Brussels was there to help, he said. But there were wry smiles when he suggested they complained too much, since Italy, the EEC's second largest producer, had *increased its Community market* share from 19.5 per cent to 22.4 per cent since 1977.

"What good is it to take more *of less?*" one asked.

Italy is due to present the Commission with a third draft of its steel restructuring plan today. The two earlier drafts were thrown back, Brussels arguing that the proposed capacity cuts did not go far *enough, especially* in the state sector.

If Viscount Davignon believes his real problems lie with the massive overcapacity and inefficiency of Italy's state sector plants, controlled by Finsider, and not with the independent operators—mostly Bresciani—who last year made up nearly half of the country's 24m tonne output of raw steel, he is mistaken.

The Bresciani, who easily outperform any other producer in Italy, are angry about production quotas and have decided to fight back. "Davignon was kidding us yesterday," said one. "We are strong enough and we will not let him cut any more."

The producers around Brescia refer to themselves jokingly as the "Mafia Metallurigca." "There is no violence," said one, "but we look after ourselves." Although about 10 producers have apparently stopped making steel in the past two years, as low production quotas have forced them to concentrate on re-rolling, it is impossible to say whether the capacity has not re-appeared elsewhere.

There is the story of one steel-reroller deciding a couple of years ago to instal three electric arc furnaces. After the first had been built, a state-owned producer nearby complained that the aim was to curtail, not add to, steelmaking capacity. Permission to build a second furnace was refused. The company simply assumed a new name, under which it obtained permission to instal another. That, too, was discovered, but too late.

Other ploys to circumvent the spirit, if not the law, of EEC capacity cuts, are equally ingenious. Steel mills shut down have been bought and reopened under different names. Another Bresciani company recently closed two old mills and used its compensation to buy new equipment. Funds made available by Rome to stimulate cutbacks have resulted in at least one producer being paid for scrapping an ageing furnace shut down two years earlier.

"It's better to go bankrupt with Davignon than with the market," says one producer, but another, rather than bend to Brussels' will is shifting all his plant to Africa.

Feralpi, an expanding steelmaker at Lonato just outside Brescia, last year bought in 20,000 tonnes of quota (at L20 per kilo) in an attempt to boost its output legally to around 300,000 tonnes of raw steel. This is no longer possible. Until last year production quotas were being allocated even to companies that had closed but surveillance has since become *tighter.*

In many ways, Feralpi is typical of the Bresciani producers. The plant, set up in 1968, is modern, family-owned, employs 500 people and still profitable. Like most Bresciani, it concentrates on long products—in this case, reinforcing bars. Feralpi's "rebar" capacity of 500,000 tonnes a year has been made largely redundant with a *quota of* only 280,000 *tonnes* imposed by Brussels.

Sig Armando Fantinelli, one of the directors, notes with some pride that part of the Olympic stadium in Moscow contains Feralpi steel. But the other traditional markets have gone since quotas were introduced in 1980. Quotas have forced prices up and cheaper Japanese and Spanish steel has flooded the North African and Middle East "rebar" markets that Feralpi and other Bresciani used to dominate.

In 1977, 40 per cent of Feralpi's output was exported to the Third World. Today, they manage barely 20 per cent. Total exports have declined from 60 per cent to 45 per cent at the same time.

Such is the reputation of the Bresciani that a few years ago rumour in France had it that French rolling stock carrying scrap to Brescia was being melted down as well. SNCF wagons seemed to dissappear. The reports died when a French scrap dealer, visiting a supplier in Poland, noticed SNCF wagons nearby being loaded with scrap bound for Brescia.

If the Italian restructuring plan is again rejected by Brussels and if the Bresciani come under more pressure to cut capacity, they will resist. Struggling producers fined by Brussels for exceeding quotas will have their fines paid by other Bresciani companies.

PRODUCTIVITY IN ITALIAN STEEL INDUSTRY

	Tones/employee 1979	Tones/employee 1980	Lire m/employee 1979	Lire m/employee 1980
IRI-Finsider	143	157	55.9	65.0
Falck and Fiat groups	51	53	45.8	56.6
"Bresciani"	372	415	125.4	138.8
Other mini-mills	181	251	81.6	98.3

Source: Elaborazioni Nomisma da Ricerche e Studi

FALLING OIL PRICES HIT ECONOMY

Indonesia opts for 27.5% devaluation

BY RICHARD COWPER IN JAKARTA

INDONESIA, Asia's largest oil and gas exporter, yesterday devalued its currency against the U.S. dollar by 27.46 per cent. The devaluation comes at a time when the national economy is facing serious difficulties because of declining oil prices and the world recession.

The new rate of 970 rupiahs to the dollar was announced by Prof Ali Wardhana, the country's new co-ordinating minister for the economy, after the first full meeting of Indonesia's newly-elected 37-member Cabinet.

The currency had previously been allowed to fall to 702.5 to the dollar from a rate of 625 set in the last official devaluation in November, 1978.

Local bankers and businessmen expressed little surprise at the news. Oil and gas account for 85 per cent of gross export earnings and about 60 per cent of government revenues, and the world oil glut has taken its toll.

In the 1982-83 fiscal year ended yesterday, the balance of payments deficit on current account is estimated to have reached an all-time high of $7.3bn. Over the past 12 months, foreign reserves have fallen by almost 40 per cent to equal just three months of non-oil imports.

Predictions of a devaluation have been rife over the past few months and more than $1bn of capital is estimated to have flowed out of the country. The final straw was this month's decision by the Organisation of Petroleum Exporting Countries (Opec) to cut oil prices. According to Mr Arifin Siregar, the newly-appointed central bank governor, the current account deficit would have risen to an unmanageable $8bn in 1983-84 without any counter-measures.

Prof Ali Wardhana said yesterday that the main purposes of the devaluation were to slow imports, boost non-oil commodity exports and increase the Government's rupiah revenues. Over the past year or so, he added, the Indonesian rupiah had become significantly overvalued against many of the world's major currencies.

Professor Wardhana said Indonesia would continue its policy of operating a free foreign exchange system, while the rupiah would still float in a controlled manner against an unidentified basket of foreign currencies. He did, however, hint that in future the rupiah might not be tied so closely to the U.S. dollar.

Even with the devaluation the Indonesian economy faces an extremely tough year. Mr Siregar admitted that he expects the current account deficit to remain high in 1983-84—somewhere in the region of U.S.$6bn.

Reuter adds: Further measures may be announced before the weekend to follow through on yesterday's.

A senior adviser to the government said the measures could include higher domestic interest rates to encourage re-investment in the rupiah, domestic credit restrictions and austerity measures affecting travel and expenditure by government officials.

'Cautious' budget unveiled in S. Africa

By J. D. F. Jones in Johannesburg

SOUTH AFRICAN Government expenditure will rise by about 10 per cent in the coming year—equivalent to little if any increase in real terms—under the terms of the budget presented yesterday by Mr Owen Horwood, the Finance Minister.

Calling the budget "cautious and conservative," Mr Horwood told parliament in Cape Town that his measures were neither reflationary nor neutral, nor even a holding operation. They were intended, he said, to lay a sound foundation for the upward phase of the business cycle, which he expected would arrive in the next financial year.

The budget provides for increased government expenditure of R1.97bn (£1.24bn).

The two biggest expenditure items are education and defence, which will increase by 13 per cent and 15.9 per cent respectively. Mr Horwood added that defence and other security spending had more than tripled since 1975-1976.

The Minister estimated that the budget deficit before borrowing would rise only moderately from R1.78bn to R2.08bn. As a percentage of gross domestic product this would amount to less than 2.4 per cent—a figure likely to be acceptable to the IMF, which last year lent the republic SDR 1bn.

Contrary to many expectations, Mr Horwood decided not to abolish the 5 per cent import surcharge, as the IMF is thought to favour, although he said he expected to phase it out by the end of the year.

There is no change in the 6 per cent General Sales Tax, and the possible "perks tax" on fringe benefits, which has been worrying both businessmen and civil servants, is not to be brought in this financial year.

South African economists said last night that the success of Mr Horwood's budget strategy would depend largely on his ability to hold government spending within the targetted increase of 10.3 per cent.

The budget appears to be based on an average gold price of roughly $330 an ounce in the year to March 1984, according to Mr Rudolf Gouws, chief economist at Nedbank, South Africa's third largest banking group.

Mining—Page 29

Bishops' pleas rejected in Zimbabwe

By Our Harare Corresppondent

THE Zimbabwe Government yesterday angrily rejected the call by seven Roman Catholic bishops for a judicial commission of inquiry into allegations of brutality by security forces in Matabeleland, describing their appeal as "irresponsible, contrived propaganda."

In a statement Dr Nathan Shamuyarira, the Information Minister, accused the bishops of relying on "the fabricated reports of the hostile foreign press" for their atrocity allegations.

Rejecting the bishops' claims of "incontrovertible evidence" of army brutality, the Minister said: "Quite to the contrary, the actions of the army have created a climate of peace and relief for the generality of the population in Matabeleland."

He said that atrocities had been committed by insurgents posing as government troops.

Dr Shamuyarira reaffirmed the Government's intention to investigate reported atrocities. He said the bishops had failed to put forward any such evidence, but a spokesman for the bishops' conference said evidence had been put forward by the bishops and by the Catholic Justice and Peace Commission.

Speculation that the bishops' allegations might not be reported in the Zimbabwe media proved unfounded yesterday. The Herald newspaper carried the pastoral letter in full.

It was the first time that the major Zimbabwe newspapers have given publicity to the atrocity allegations. Hitherto, people have had to rely on the foreign media with the single exception of the monthly magazine, Moto.

Hawke orders halt to £307m hydro scheme in Tasmania

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE Australian Government yesterday ordered an immediate halt to construction work on the controversial A$530m (£307m) Gordon River hydro scheme in Tasmania's south-west wilderness—precipitating what is likely to be a bitter legal and constitutional battle with the Tasmanian state government.

The new Labor federal government has introduced regulations that specifically control part of Tasmania's south-west wilderness, and threaten fines of up to A$5,000 for anyone involved in construction work on the Gordon river dam.

Tasmania, whose state government is Liberal-controlled, is refusing to bow to the directive. Mr Robin Gray, the state premier, said yesterday that Tasmania—Australia's smallest state—would not give into the whims of conservationists, nor to the federal government's "misuse of federal power."

The construction site is in the middle of a Unesco World Heritage area. Tasmania claims the Gordon River scheme will provide 1,000 construction jobs, and provide extra power cheaply.

Mr Bob Hawke, the Labor Prime Minister, vowed to stop the dam in the recent general election campaign—a stance that won Labor many votes on the mainland, but not in Tasmania which resisted the national election swing.

Tasmania is expected to appeal against the new regulations in the high court, possibly today. It is assumed that Canberra will dispatch federal police to the dam site if construction work is not halted.

Mr Gray said last night: "If Bob Hawke has got himself into a cleft stick over this whole issue, that's Bob Hawke's problem."

Mr Hawke said yesterday that the federal government would add to the "weapons in its armoury" by introducing legislation in the May session of parliament giving it control over Tasmania's south-west wilderness.

If Tasmania defies Canberra, it will precipitate an unprecedented confrontation. However, the former Liberal-National Party federal government introduced legislation last year empowering federal police to arrest and imprison any state official or politician preventing free access of U.S. nuclear-powered ships to Australian ports.

U.S. 'unlikely to reduce support for Taiwan'

BY MARK BAKER IN PEKING

THE U.S. Congress is unlikely to back down from its support for Taiwan because American people are ignorant and indifferent about the issues, Mr "Tip" O'Neill, Speaker of the House of Representatives, said in Peking yesterday.

He made the remark after being told by China's most senior leader, Deng Xiaoping, that Peking's relationship with Washington had "peaked" in 1979 and not really progressed since.

Mr O'Neill claimed that he and other Congressmen visiting China had not been aware before their meetings with Chinese leaders about how strongly China felt on continued U.S. ties with Taiwan.

"What's number one in one country is not number one in another, on a scale of one to 35 in America, where would I place the Taiwan-China situation? It would be hard for me to place it anywhere on the line," he said.

"American people are more interested in domestic contents and domestic issues than in foreign affairs. My knowledge of foreign affairs, to be perfectly truthful, is very limited."

Mr O'Neill said that he did not believe Congress would be willing to drop the Taiwan Relations Act, which it passed soon after the U.S. recognised mainland China in 1979 to protech the interests of Taiwan.

Mr O'Neill is understood to have faced strong criticism in his meetings with China's top officials over continued U.S. arms sales to Taiwan, U.S. moves to tighten import quotas on Chinese textiles and the U.S. refusal to supply some advanced technology to China.

Shortly before the meeting with Deng yesterday Deng was heard to remark: "The Sino-U.S. relationship peaked in 1979. Since then there have been ups and downs, but mainly it has been straight across."

David Lennon watches demonstrations in the West Bank and Galilee

Arabs stage protests at Israeli land grab

THE 1.2m Palestinians on the occupied West Bank and Gaza Strip, plus 600,000 Israeli Arabs, yesterday staged protest meetings and strikes and threw hand grenades and stones at Israeli vehicles and military patrols as they marked Land Day, an annual day of protest against the expropriation of their lands by Israel.

Israeli military and police were out in force in the occupied territories and in the Galilee, where most Israeli Arabs live, to prevent the protests getting out of hand. The security forces made a number of arrests of Israeli Arab radicals on Tuesday to prevent their inciting the crowds at yesterday's protest gatherings.

Though Land Day is held to commemorate the six Israeli Arabs killed by the security forces during protests in 1976 against land expropriations, it was marked more violently yesterday in the occupied territories than inside Israel.

This underlines the difference between those Arabs who have lived inside Israel since it was founded in 1948, and those who came under Israeli occupation when it captured the West Bank and Gaza Strip in the 1967 war. The Arabs in Israel are basically fighting for equal rights with Israel's Jewish citizens, while the Palestinians of the occupied territories are motivated more by nationalism and their desire for the creation of an independent Palestinian state.

Also joining the protests yesterday were the Bedouin Arabs who live in the Israeli Negev desert. They were protesting against the loss of their grazing lands, which Israel took over to build new air bases to replace those abandoned when Sinai was returned to Egypt.

Though most international attention has focused on the expropriation of West Bank land for new Jewish settlements, the Arabs living inside Israel's pre-1967 boundaries have also suffered a massive loss of land over the years to Government seizures.

Earlier this month, the organisers of the Land Day events in Israel protested against a recent Interior Ministry order which, they say, will transfer 40,000 acres of land from 18 Arab villages in central Israel to 23 Jewish villages in the area. This land transfer will also mean a loss of income to the Arab villages, which formerly had the right to collect land taxes.

But it is still the West Bank which is the greatest sufferer from land expropriation. Earlier this year, Israel proclaimed one of the largest land seizures ever, when it took 50,000 acres near Hebron for Jewish settlements.

The 750,000 Palestinians of the West Bank were the most active yesterday in their protests, despite the military government having ordered all schools closed for two days in an attempt to nullify these potential trouble spots.

Curfews were imposed in a number of places, and were continued for the second day in Jenin, the West Bank town hit by a mysterious poisoning, which has placed hundreds of schoolgirls in hospital. Despite the curfew, a group of schoolboys stoned an Israeli military patrol, whose soldiers fired in the air to disperse the demonstrators.

In many places on the West Bank, Palestinian flags were flown, and pictures of Mr Yassir Arafat, the PLO chairman, were in evidence briefly, before the Israeli forces moved in. Commercial strikes were held in a number of West Bank towns, but most of the shops opened towards noon, as the military began to weld the locks on the shutters of the closed shops.

But in Arab East Jerusalem, which Israel annexed in 1967, the police did not make any attempt to break the total commercial strike. The schools also went on strike, and a number of Israeli vehicles were stoned by Arab youngsters.

The Gaza Strip, normally a much less militant area, was the scene of two hand-grenade attacks on Israeli forces, and a home-made time bomb was diffused before it exploded outside a branch of Israel's Bank Leumi in Gaza town.

The 600,000 Arabs living inside Israel, and forming 16 per cent of the population of the country, marked Land Day with three regional gatherings in the Galilee, in central Israel, and in the Negev. The Public Committee for the Defence of Arab Land also organised two processions.

Marchers unfurled Palestinian flags and chanted: "In fire and blood we will redeem the Galilee." They placed stone barriers on roads leading to some villages, and Palestinian flags were flown briefly in a number of places.

FLASHBACK: Israeli gunman opens fire on Palestinian demonstrators in Bethlehem early this month.

Argentines get a new look at war on BBC video

BY JIMMY BURNS IN BUENOS AIRES

Leopoldo Galtieri

IN THE SPARTAN rooms of the local Peronist Party headquarters in Buenos Aires last week, a BBC TV news film was shown flanked by two huge posters of Evita – and was generously approved.

"Very objective. It doesn't idolise Mrs Thatcher and it shows us what a mess Galtieri got us in," said Luis, a militant of many years standing. Next to him *companera* Silvia was mute, her eyes streaming with tears – whether out of sadness or rage one could not really tell.

Along with a group of about 100 other party militants – a mixture of students, trade unionists, and old age pensioners – Luis and Silvia had just sat through a showing of Task Force South, a video film of the Falklands war made by the BBC last year.

Watching the film was an act of political defiance. One year after Argentine troops prepared to invade the Falklands Islands, the question of why Argentina went to war, and why it lost, has not been answered by the military authorities. But in the absence of official explanations, Argentines have only pursued the information with even greater vehemence.

Task Force South gives only some of the answers, but it shows a great deal more than anything we've ever been given here," commented Luis.

Scenes of the huge British fleet sailing from Southampton, the troops training before landing at San Carlos Bay, the battle for Port Stanley, and finally the surrender, are all familiar to a North American or European audience. But for the Argentines, the video offers the first visual confirmation that there was more to the war than the bogus vision offered by the state controlled TV.

In the heated debate that followed the film's showing it, was clear that Luis and Silvia were not the only ones genuinely surprised by the surge of patriotism that greeted the task force as it set sail. "Are those really civilians waving those flags?" asked one of the militants, used to believing that the only demonstration that mattered in the world was the one he had attended in May Square after the islands were taken.

Equal amazement was expressed at the sight of the blatant inequality between the British and Argentine soldiers, in terms of training and equipment. But the overriding emotion was one of bitterness at the ease with which the paratroopers had managed to make their way to Port Stanley.

"The most honourable thing that Gen Menendez could have done would have been to shoot his own brains out," said one Peronist.

But perhaps the biggest revelation of the video for those present was in its crude record of the reality of war – prisoners of war being searched, soldiers with their legs blown off, a young surgeon extracting a bullet from a mass of blood. None of this was seen by Argentine civilians last year. On Argentine TV, the British were invisible, while the Argentine conscripts were well-fed, smiling, and always on their way to victory. The Falklands war is now history but the Peronists were as shocked as if they had just lived it. "Poor boys, poor boys," a woman kept repeating

But no emotion, however great, seemed capable of convincing anyone of the justice of the British cause. They thought the BBC had provided a rather sparse background to the Argentine sovereignty claim over the islands. "The Malvinas will be Argentine sooner or later, although before getting into another mess like that we should put our own house in order first," was Luis' view.

Feelings such as these have followed Task Force South in its rounds of Buenos Aires. With the approach of the first anniversary of the invasion on Saturday copies of the film have defied police checks and spread uncontrollably through the streets of the capital.

Once it was only the privileged few – mainly certain military officers and rich Argentine tourists on holiday in the Uruguayan resort of Punta del Este – who could catch a glimpse of the "other side of the war." But today, the "Malvinas show," as the BBC film is referred to by some, has become a social event.

The film is often shown as part of a cocktail party or after dinner coffee. It is also a central part of a "hearts and minds" campaign conducted by multinational companies in the wake of the Falklands war. Faced with a resurgence of nationalism, managers are encouraged to show their workers that the British were not so bad after all.

Interest in the film has predictably provoked an upsurge in video piracy and good business too at the small number of shops in Buenos Aires that hire out video equipment.

Some "show" organisers have managed to get an original copy of Task Force while on a trip to Europe. But the majority, like the Peronist group this week, have opted for the local version. The copy which Luis and Silvia saw had been hired out by the war veterans organisation.

The veterans are angry with the lack of Government help in their search for civilian jobs and with the pittance "wage" of $50 they received as a bonus for risking their necks on the islands. They are now offering the BBC film out at $30 a session.

Foreign exchange report issued

WASHINGTON — A long-awaited study intended to settle a heated U.S.-European dispute over government intervention in foreign exchange markets appears to have come up with conclusions that both sides can claim as a victory.

The study by seven nations, concludes after 10 months of debate that intervention can make a difference in stabilising exchange rates—but only in cases where a country has simultaneously altered its basic monetary policy.

At the same time, the study asserts that intervention can be more effective if it is done "co-operatively" by the countries involved, even if none of them alters its monetary policy.
AP-DJ

BASE LENDING RATES

A.B.N. Bank	10½%	■ Guinness Mahon	10½%
Al Baraka International	10½%	■ Hambros Bank	10½%
Allied Irish Bank	10½%	Heritable & Gen. Trust	10½%
Amro Bank	10½%	■ *Hill Samuel*	§10½%
Henry Ansbacher	10½%	C. Hoare & Co.	†10½%
Arbuthnot Latham	10½%	Hongkong & Shanghai	10½%
Armco Trust Ltd.	10½%	Kingsnorth Trust Ltd.	12 %
Associates Cap. Corp.	11 %	Knowsley & Co. Ltd.	11 %
Banco de Bilbao	10½%	Lloyds Bank	10½%
Bank Hapoalim BM	10½%	Mallinhall Limited	10½%
BCCI	10½%	Edward Manson & Co.	12 %
Bank of Ireland	10½%	Midland Bank	10½%
Bank Leumi (UK) plc	10½%	■ Morgan Grenfell	10½%
Bank of Cyprus	10½%	National Westminster	10½%
Bank Street Sec. Ltd.	10½%	Norwich Gen. Tst	10½%
Banque Belge Ltd.	10½%	P. S. Refson & Co.	10½%
Banque du Rhone	11½%	Royal Trust Co. Canada	10½%
Barclays Bank	10½%	Roxburghe Guarantee	11 %
Beneficial Trust Ltd.	11½%	Slavenburg's Bank	10½%
Bremar Holdings Ltd.	11½%	Standard Chartered	‖10½%
Brit. Bank of Mid. East	10½%	Trade Dev. Bank	10½%
■ Brown Shipley	11 %	Trustee Savings Bank	10½%
Canada Perm't Trust	11 %	TCB	10½%
Castle Court Trust Ltd.	11 %	United Bank of Kuwait	10½%
Cayzer Ltd.	10½%	Volkskas Intl. Ltd.	10½%
Cedar Holdings	11 %	Westpac Banking Corp.	10½%
■ Charterhouse-Japhet	10½%	Whiteaway Laidlaw	11 %
Choulartons	11½%	Williams & Glyn's	10½%
Citibank Savings	¶10 %	Wintrust Secs. Ltd.	10½%
Clydesdale Bank	10½%	Yorkshire Bank	10½%
C. E. Coates	11 %		
Comm. Bk. of N. East	10½%		
Consolidated Credits	11 %		
Co-operative Bank	*10½%		
The Cyprus Popular Bk	10½%		
Duncan Lawrie	10½%		
E. T. Trust	11½%		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.5%; 1-month 7.75%. *Short-term* £8,000/12-months 10.1%.
† 7-day deposits on sums of: under £10,000 7½%, £10,000 up to £50,000 8½%, £50,000 and over 9%.
‡ Call deposits £1,000 and over 7½%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7½%.
¶ Mortgage base rate.

Dan McCosh in Detroit reports on a trade union's struggle to regain lost ground in the motor industry

Four Americans who could stymie the Japanese

WHEN Robert Mallow, a boiler room operator at the Honda car plant in Marysville, Ohio, convinced three of his fellow workers to join the United Auto Workers Union, he created one of the most elite groups in the U.S. car industry. The UAW currently represents about 800,000 U.S. car workers, including every car assembly plant in the country, except Honda.

Mr Mallow and his colleagues are the only UAW workers in the Japanese-owned U.S. assembly plant, the first such car plant in the U.S., which started operations last November.

The UAW has insisted that the Japanese, who have captured some 20 per cent of the U.S. car market, build local assembly plants to offset the jobs lost in domestic plants. But now that the Japanese are responding, they have given little sign that they want to include the union in the deal.

Toyota's chairman, Mr Eiji Toyoda, created a minor furore recently when he announced that the planned joint General Motors—Toyota operation in California would not necessarily recall employees who had lost their jobs when the former GM plant closed.

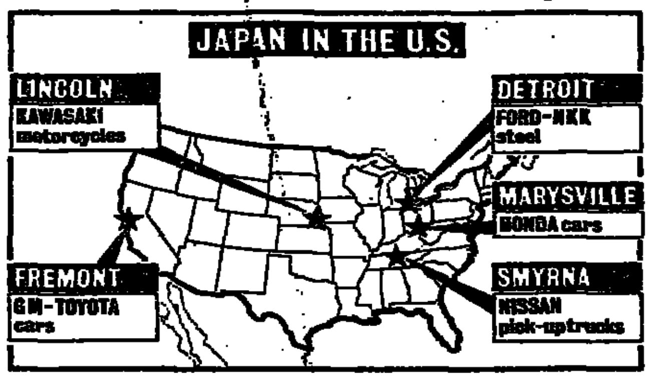
Later, a GM executive who headed the negotiations with Toyota said any new contract with the union was subject to negotiations, despite the insistence of Mr Douglas Fraser, the UAW president that he had been assured by GM's chairman that the "successful conclusion" of a union agreement was a necessary condition for the joint venture to go through.

Retiring UAW workers is not the only unresolved issue. Toyota is also expected to try to run the Fremont plant in a similar way to its own assembly plant in Toyota City, Japan, where company unions, much less demanding than the UAW, go along with the Japanese paternalistic style of management.

Successfully negotiating such a contract in the U.S., particularly if it involves lower pay and fringe benefits, is expected to be difficult, and some GM executives concede that the deal with Toyota could yet fall through.

> 'Many new workers in the Honda plant have been recruited straight from school. "They're young, naive and full of that teamwork stuff," says a union man'

At least one other major Japanese joint venture also hangs on negotiations with the UAW. Ford Motor is negotiating with a group of Japanese steelmakers headed by Nippon Kokan (NKK) to sell Ford's steel-making operations. Ford is bound by a successor clause which says the union will, in effect, be included in the deal if the plant is sold.



The Japanese are insisting that Ford negotiates a new contract with the UAW as a condition of the sale. They are reportedly demanding wages "competitive" with the rest of the steel industry—Ford's steelworkers historically have had higher pay than those in independent steel companies—and the easing of restrictions on subcontracting. Mr Donald Ephlin, UAW Vice President says the negotiations are "strained."

Part of the problem is "cultural," he says, adding that the talks are complicated by the fact that NKK employed a U.S. labour lawyer who is insisting on "very rigid contract language."

The UAW has already experienced an unsuccessful five-year fight to organise the Kawasaki motorcycle factory in Lincoln, Nebraska, one of the earliest Japanese manufacturing plants in the U.S.

"That has been a classic confrontation," says a UAW spokesman. "It has been complicated by the fact that it's in a part of the country that historically has been anti-union."

Regionalism has played a significant part in the UAW problem with the Japanese. The Nissan plant manufacturing pick-up trucks, which opens later this year, is in Smyrna, Tennessee, a state with an "open shop" law, which means that even if the UAW eventually organises the plant, it is illegal to force all workers to join the union, thus lessening union power.

The GM-Toyota plant introduces another regional factor. It is located on the edge of Silicon Valley, California's home of high-technology computer manufacturing. A car plant is an anomaly in such an environment where relatively few jobs exist for uneducated workers. Wages comparable to heavily-industrialised Detroit will be difficult to negotiate.

> 'When the union demanded that its hats and buttons be allowed in the plant, Honda said they violated the corporate dress code. The hats are worn freely now'

But the strongest confrontation between the union and the Japanese is over the fundamental philosophy of management that workers should be part of an industrial "family," and that strong unions invariably introduce unwanted dissension.

"That's baloney," says Mr Mallow, explaining his sudden interest in joining the UAW after working under Japanese management, despite his approval of the working conditions.

He says that he started to dislike the Japanese style when the management insisted that boiler room workers shared duty with maintenance crews in other parts parts of the plant. Learning several skills and going to where the work is needed is part of the Japanese style—a method Mr Mallow doesn't specifically argue with. "But they wouldn't pay us the full wage for maintenance work," he says.

Coming from a strong union family background, he says he is different from many of the other workers in the plant, who, he says, have been recruited mainly from school.

Even the four-man union in the Honda boiler room, organised a year ago, has led to a confrontation over efforts to expand the union into the rest of the plant.

The National Labour Relations Board was asked to consider union demands that UAW hats and buttons be allowed in the plant after Honda said they were a violation of the corporate dress code. The hats are worn freely now, but they bring a mixed reaction. "One of our guys wore one out in the plant the other day and got booed," says Mr Mallow.

WORLD TRADE NEWS

ECGD to offer Iraq £150m credit to pay UK contractors

BY PATRICK COCKBURN

BRITAIN'S Export Credits Guarantee Department (ECGD) is expecting to reach an agreement in principle with Iraq early next month on credit terms worth about £150m for the completion of projects on which British companies are working.

Iraq is seeking to convert payment for most of its projects from cash to credit because of the country's financial difficulties. Its oil revenues have fallen sharply since the start of the war with Iran in 1980 when they totalled $25bn to an estimated $6bn this year.

The £150m credit now being arranged will be used largely for the completion of three contracts signed in 1981. The largest of these is the £110m Abu Ghraib expressway on which Kier International, a subsidiary of French Kier, has just started construction.

John Laing Construction is near completion on a £63m project to build a series of road interchanges on the Army Canal in Baghdad. Paterson Candy International is working on £54m scheme to provide electrical and mechanical works for a major water supply scheme also in the capital.

Iraq has approached almost all international contractors in the country to arrange credit for two years or more. British exports to Iraq were worth £875m last year but little of this was for large-scale projects and British companies will not be as badly hit as West German or Japanese companies by Iraqi financial difficulties.

In West Germany, Hermes, the export credit agency, wants Iraq to fulfil all foreign and local currency payments due up to the end of last year and then to pay the local currency constituent of project payments this year. Refinancing will then be available for the foreign currency portion of contracts falling due this year when it exceeds DM 10m (£2.8m). Many West German companies are believed to have worked in Iraq without Hermes cover.

Because of the war with Iran, banks show little enthusiasm for financing exports to Iraq or projects now facing payment difficulties unless there is a government guarantee.

ECGD is expecting renewed talks with Iraq in the near future and say that agreement in principle is close. It is still unclear, however, whether credits for new contracts will be made available or on what terms. Iraq has cut imports except those related to the war effort.

Britain's position is that it will not sell weapons to Iraq—so long as the war continues—but in 1981 British companies did sign contracts for £250m worth of defence related but non-lethal equipment. Most of Iraq's military supplies come from the Soviet Union and France.

W. German photographic chain expands in Hungary

BY LESLIE COLITT IN BERLIN

FOTO-Quelle of West Germany which opened a retail store in Budapest last June, the first such Western outlet in Eastern Europe, is expanding to two other Hungarian cities. The leading photographic and optical goods chain says it will open stores in Sopron and Szeged this year and next because of the success of the Budapest operation.

A spokesman for Foto-Quelle said the Budapest store expects to do more than 16m forints (DM 1m) (£280,000) in business during its first year. Hungary pays for the West German goods sold in the store for forints by exporting an equivalent amount of products to West Germany for sale in Foto-Quelle shops.

These include spectacle frames and leather cases, black and white film, photo paper and plastic trays for home film processing. All the items in Foto-Quelle's West German catalogue are sold in Hungary under the company's Revue label.

The number of customers in the Budapest Foto-Quelle store has risen by the month and includes visitors from other East European countries who cannot buy cameras and optical goods in their own countries.

Prices are high by West German standards. An electronic movie camera sells for 11,900 forints and a zoom lens for 12,000 forints, while the average monthly wage in Hungary is 4,500 forints.

Foto-Quelle says other East European countries have signalled an interest in having similar retail outlets, but Hungary, with its economic reform, appeared to offer the best prospects for Western consumer goods retailers.

W. Germany still top Dutch trade partner

By Walter Ellis in Amsterdam

WEST GERMANY has been confirmed once more as the Netherlands' biggest trading partner—just one week after the realignment of currencies within the European Monetary System (EMS) gave Dutch exporters a 1.5 per cent competitive advantage over their neighbour.

In 1982, West Germany accounted for 29 per cent of total Dutch exports. Belgium came next, with nearly 15 per cent, then France (10.5 per cent), the UK (9.6 per cent), Italy (5.8 per cent) and the U.S. (3.4 per cent). The import picture is similar. Germany provided 22 per cent of Dutch imports, compared with Belgium (11 per cent), the UK (9.4 per cent), the U.S. (9.2 per cent) and France (6.5 per cent).

Total Dutch exports last year were valued at Fl 177bn (£44bn)—a rise of 3 per cent. Imports were worth Fl 167bn, giving a surplus of Fl 9.74bn.

The fact that West Germany is its main trading partner was the main reason for the Netherlands' concern last week in Brussels over the changes in the EMS. In the event, the D-mark was revaluing the guilder by the the guilder rose by only 3.5 per cent. Dutch industry was pleased but the reception in Bonn was frosty.

Later it was learned that the Dutch Government, in not revaluing the guilder by the full 5 per cent, had gone against the express wishes of the Central Bank in Amsterdam, which in recent years has made parity with the D-Mark a central tenet of faith.

The Government argues that while the two currencies are now out of line, the shift has been slight.

Britain's small stake in Algerian market

British companies' very small state in the growing Algerian market was underlined at a conference held yesterday at the London Chamber of Commerce on "Breaking into the Algerian market, writes Francis Ghiles. British exports to Algeria totalled £199.1m in 1982 and imports from the North African country £176.3m.

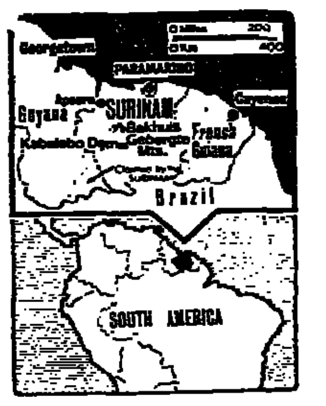
Such figures show that the UK lags far behind France, West Germany and the U.S. which accounted last year for 22.2 per cent, 13.3 and 9.1 per cent of Algeria's estimated $11bn worth of imports respectively. Britain's share was 2-3 per cent.

Andrew Whitley reports on the fate of the Kabalbeo project

Surinam's $1bn bauxite dream near to death

THE KABALBEO project, Surinam's $1bn dream to open its western regions near the Guyanese border through exploitation and processing of local bauxite deposits appears close to death.

Officially, the Government headed by Col Desi Bouterse, describes the seven-year-old project as "frozen" rather than cancelled. It still has hopes of persuading a multinational mining company to participate in a scaled-down version of the scheme.



But with the world bauxite and aluminium industries passing through a deep recession, local mining executives and western diplomats say there is no interest in the Bakhuis bauxite deposits in west Surinam. The deposits are now believed to be much smaller and of poorer grade than originally thought. "Bakhuis has no place in our schemes for th next 18 to 20 years," Mr Worth Hobbs, managing director of Alcoa's local subsidiary, Suralco, said recently. Alcoa's integrated aluminium industry dominates the Surinam economy.

The other, smaller bauxite company in Surinam is Billiton, the Royal Dutch Shell subsidiary. But it is said to be facing a "very bleak" future in the country, and has even less interest in the new deposits.

As Government officials readily acknowledge, the Kabalebo project — incorporating a 500 MW hydro-electric dam, a railway to a new river port and alumina and aluminium plants — was too ambitious.

Finance would have been available through Dutch development grants and loan guarantees. But to tackle the scheme effectively would have involved considerable diversion of national resources away from other pressing social and economic areas. Mistakes were made at almost every stage of what was conceived as Surinam's showcase project after independence in 1975.

Instead of there being 400m-500m tonnes of ore in the Bakhuis mountains, the latest edition of the Inter-American Development Bank's annual report claims, the mining companies believe there is only 50m tonnes of "medium to low" grade bauxite, scattered in dispersed deposits.

The new regime which seized power in February 1980 through a coup has always been ideologically opposed to the grandiose scheme. It prefers smaller projects of more direct benefit to the Surinamese.

"The concept was always floating in the air," said Mr Charles Defares, a senior Industry Ministry official.

Notwithstanding its distaste for the project, the Surinam Government is faced with the uncomfortable fact that approximately SFl 300m (£110m) has already been spent, and potentially wasted—a sum equivalent to nearly half the Government's total expenditure last year.

Two-thirds of the money went on the railway, built by Morrison-Knudsen of the U.S. Inaugurated in 1980, the railway has rotted away silently in the jungle ever since.

More than $1m a year is being spent just on maintaining the line and its associated facilities, according to Mr Winston Caldeira, Surinam's finance minister. SFl 40m was spent on preliminary work on the bauxite deposits, mainly in consultancy fees.

The river port and township at Aporra, where the processing facilities were to be located, are described as a ghost town by visitors.

At one stage Reynolds, the U.S. aluminium company, took up a concession on the bauxite. After disappointing field results it decided not to proceed and handed back its rights.

An argument over whether or not to proceed with a smaller version of the Kabalebo scheme was the main cause of political infighting which brought down Surinam's first post-coup government in 1981. The project's opponents, the nationalist PALU party, finally came to power in their own right in February as the dominant group in a new Government.

EEC national courts barred from enforcing Gatt rules

BY A. H. HERMANN, LEGAL CORRESPONDENT

COMPANIES and private businessmen in the EEC cannot use their national courts to seek the enforcement of obligations taken on by their governments under the General Agreement on Tariffs and Trade (Gatt).

The Gatt, the body of rules and disciplines underpinning the international trading system, remains an intergovernmental agreement.

These two points emerged from judgments handed down March 16 by the European Court of Justice.

The judgments related to four disputes between oil companies and the Italian Finance Administration.

The European Commission and member governments of the EEC all opposed the notion of what lawyers called "direct effect"—that national Gatt obligations could be directly enforced in domestic courts.

In agreeing with them, the European Court moved away from an earlier stand related to the interpretation of trade agreements.

Earlier it had held that obligations arising from trade agreements with countries outside the EEC could be directly enforced in national courts, even if there was no reciprocal arrangement with the outside country signing the agreement.

Member governments feared that the European Court might extend this rule to all obligations under the Gatt.

The UK Government told the Court that if "direct effect" was extended to the Gatt there would be unintended but "absolutely undesirable results": it would lead to a unilateral extension of EEC benefits to countries which have not accepted the obligations of EEC membership.

The Gatt is made up mainly of reciprocal agreements to reduce trade barriers, the UK Government argued. But the EEC's Treaty of Rome—its legal foundation—aimed at economic integration and created the EEC's own legal system and institutions.

According to previous rulings, the Court could interpret international agreements only if it was necessary for the determination of validity of Community acts. This has been changed by the judgements of March 16, when the Court expressly stated that it has the power to interpret the Gatt for whatever purpose necessary.

One of the four disputes then decided (No 166/81) was between Societa Italiana per l'Oleodotto Transalpino (SIOT) and the Italian Ministry of Finance over the imposition of a transit tax on crude oil from third countries pumped from Trieste to Austria. The other three disputes (267-269/81) were over the legality of administrative dues on imports, abolished in 1971 but not refunded.

● In another ruling of general importance made on the same day, the court held that it had jurisdiction to interpret the Gatt from July 1, 1968 when the Community took over the obligations undertaken by its individual members by assuming responsibility for external trade relations.

Unctad to present $90bn Third World rescue plan

GENEVA — Developing countries will need an estimated $90bn by 1985 to stop their economic slide and restore growth, a United Nations report said yesterday.

The UN Conference on Trade and Development (Unctad) said in the report it had revised its emergency proposals, published earlier this year, to channel $70bn to the Third World and was now putting forward a $90bn plan.

Despite signs of resumption of growth in market economies, developing countries' output was likely to fall in 1983 for the third year in a row, Unctad said. This was something not experienced in the Third World since the Great Depression, it added.

Unctad said $90bn were needed for developing countries to reach an annual 5 per cent growth on average during 1984-1985. The plan will be presented t a 154-nation Unctad conference in Belgrade in June.

The report reiterated proposals made earlier this year, including a call to the International Monetary Fund (IMF) to sell off a significant proportion of its gold stocks to help rescue Third World countries from cash shortages.

Other proposed measures included an increase in aid by developed countries to reach more than the 0.7 per cent target set by the United Nations.

The Unctad report said the expected recovery in industrialised countries would not be enough to boost exports from the Third World. It identified heavy pressure on developing countries' balance of payments as the main stumbling block for growth.
Reuter.

Pakistan buys secondhand jets

By Mohamed Aftab in Islamabad

PAKISTAN international Airlines (PIA) has purchased two aircraft, a DC-10 from Alitalia, and an Airbus A3-00 from Hapag Lloyd.

The secondhand DC-10 which costs $17.5 will arrive in Pakistan in May. The Airbus A-300, also secondhand, has a $28m price tag, and will arrive here in July this year.

PIA has ordered $4m-worth of spare parts for the two airplanes, taking the total price of the three items to $49.5m. PIA will find $7m from its own cash resources, while the remaining $42.5m has been arranged by a consortium of international banks.

Britain National Westminster Bank acted as the agent bank for the deal. The other two banks in the syndicated loan are Grindlays Brandts, and Citicorp International Bank.

UK exporters to visit Iceland

FOURTEEN British companies are to send delegates to Iceland later next month in the hope of boosting UK exports. UK sales to Iceland—worth around £40m a year—and its share of the total £500m export market have both been falling, writes Our World Trade Staff.

Iceland's main trading partners are West Germany, Scandinavia, the Soviet Union and the U.S., with the UK in seventh place.

Commonwealth of Australia

Twenty Year 5½% Bonds due May 1, 1985

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on May 1, 1983, at 100% of the principal amount thereof through operation of the Sinking Fund, $1,340,000 principal amount of said Bonds as follows:

OUTSTANDING COUPON BONDS OF $1,000 BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

03	21	25	30	40	47	51	53	59	63	70	73	75	77	87	89	93
18	23	27	31	45	48	52	55	62	66	71	74	76	78	88	90	96

COUPON BONDS BEARING THE FOLLOWING NUMBERS:

102 402 1002 5402 6102 6802 11602 13702 13802 16302 17402 18702 23002 23602

ALSO THE FOLLOWING REGISTERED BONDS

Bond Number	Amount Selected for Redemption	Bond Number	Amount Selected for Redemption	Bond Number	Amount Selected for Redemption	Bond Number	Amount Selected for Redemption
76	$10,000	113	$10,000	136	$ 5,000	182	$ 1,000
79	1,000	120	10,000	137	5,000	191	1,000
94	25,000	121	10,000	143	5,000	198	1,000
99	25,000	122	10,000	145	5,000	199	1,000
101	25,000	125	10,000	152	5,000	200	1,000
102	25,000	126	10,000	169	10,000	201	1,000
107	25,000	132	10,000	170	10,000	219	100,000
110	25,000	134	10,000	178	5,000	223	1,000

The Bonds bearing the numbers above specified will be redeemed and paid on and after May 1, 1983, at the principal amount thereof, upon presentation and surrender of such Bonds at the option of the holder either (a) at the **Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y.,** or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Antwerp, Brussels, Frankfurt (Main), London or Paris, or the Reserve Bank of Australia in London, or Amsterdam-Rotterdam Bank N.V. in The Netherlands or Banque Générale du Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City, or by a transfer to a United States dollar account maintained with a bank in New York City.

Coupons due November 1, 1983, and subsequent maturing coupons should be attached to coupon bonds being redeemed: coupons maturing on May 1, 1983, should be detached and presented for payment in the usual manner.

From and after such redemption date no interest shall accrue upon or in respect of any such Bonds called for redemption as aforesaid.

COMMONWEALTH OF AUSTRALIA

March 31, 1983

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

1144 2593 2619 2644 3319 5469 6978 7727 9244 10258 11438 15096 17219 19425 19792 22266 24473
1166 2596 2625 2648 3325 6072 6989 8048 9345 10408 12286 15098 17287 19848 19793 23825
2589 2604 2627 2650 3327 6078 6992 8138 9348 11078 13253 16234 17889 19550 20612 24319
2592 2612 2638 2653 3378 6145 7266 8972 10127 11093 14896 17178 17948 19553 21192 24335

UK NEWS

Thatcher keeps election options wide open

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET Thatcher, Prime Minister yesterday admitted that the weakness of the pound and uncertainty might affect the timing of the general election. In a radio interview last night she kept open all her election options, but was much more explicit than before about the problems posed by uncertainty over the date.

Mrs Thatcher said that when she came to decide on a date, which was not yet, "uncertainty and what that means for our country will be a factor uppermost in my mind." She said the issue would not arise until four years after the last election, which is on May 3. She thought that the dollar would weaken "in due course of time, but we will have to live through the interim."

Her comments are clearly intended to keep everyone guessing, but they are unlikely to dampen speculation about a June election. Opinion among Tory MPs and junior ministers has swelled around, almost from week to week, between June, October and next year. But after the Tories' second position in the Darlington by-election last week, there seems to have been some revival of talk about June, not least because of worries about unemployment and rising interest rates.

Nevertheless, the majority of the Cabinet, and Mrs Thatcher's stated preferences, still appear to favour October or later, though a decision will not be taken until after the local elections on May 5, and the Cardiff North West by-election, probably on the same date.

The Government is trying to maximise its room for manoeuvre by pushing through legislation as fast as possible. Only a couple of major bills are still to go through the House of Commons. Treasury ministers are also trying to accelerate the timetable for the Finance Bill so that it could be approved in time for a June election, but Labour will not agree to faster than usual consideration.

In a characteristically ebullient interview, Mrs Thatcher was optimistic about the economy, although she strongly criticised the strikers at the Halewood and Cowley motor plants. She said their actions were "thoroughly depressing."

On the eve of the first anniversary of the Argentinian invasion of the Falklands, Mrs Thatcher appeared to rule out any compromise and reiterated a "fortress Falklands" policy.

Tricentrol group wins Wytch oil stake

BY RICHARD JOHNS

BRITISH GAS Corporation was yesterday instructed by Mr Nigel Lawson, Secretary of State for Energy, to sell its 50 per cent share of the Wytch Farm oil field, in Dorset the UK's largest on-shore field, to the consortium led by Tricentrol.

The "Dorset group" – which included also Carless Capel, Clyde, Goal, and Premier – is believed to have submitted a revised bid in the range of £200-260m, compared with up to £500m sought by British Gas. It is based on a complicated formula with an initial payment and the final amount depending on actual rates of output achieved.

Mr Lawson gave the instruction verbally yesterday morning at the Department of Energy to his adversary, Sir Denis Rooke, chairman of British Gas and its full board. He asked that British Gas should proceed with the sale as quickly as possible. But no deadline has been set.

Mr Lawson's order brings to an end a protracted deadlock dating back to the summer of 1981 when the first directive to dispose of the assets, which the corporation most recently estimated to be worth £500m, was issued. Sir Denis evidently hoped to hold out until the next general election or the appointment of a new Energy Secretary.

For his part, Mr Lawson has been committed to bringing about a sale before the next general election and before bringing about the disposal of British Gas off-shore oil assets in line with the Oil and Gas (Enterprise) Act which became law last summer.

The other consortium remaining in contention has been the one composed of Rio Tinto-Zinc, Charterhouse and Associated British Foods.

British Petroleum still has the option to match any offer made and, thus, obtain 100 per cent control of the field. But it remains unclear whether it will exercise it.

Wytch Farm at present produces at only 4,000 barrels a day, but could yield as much as 60,000 b/d, according to the higher estimates of British Gas. In practice, the rate reached would depend partly on obtaining necessary planning authorisations needed to maximise output.

Ford peace talks open

BY JOHN LLOYD, LABOUR EDITOR

BOTH SIDES in the three-week-old Ford strike at Halewood, Merseyside, will meet at the Advisory, Conciliation and Arbitration Service (ACAS) today.

The initiative was taken by Acas yesterday after a call for independent arbitration from Mr Ron Todd, senior national officer of the Transport and General Workers' Union.

The strike, which began when a line operator was dismissed for allegedly damaging a bracket, has so far cost Ford £70m.

There is little possibility that it will be settled by conciliation, and Acas will probably try to persuade both sides to allow arbitration, by Acas officials or an independent third party. Mr Todd accepts that the results of arbitration should be binding.

Courtaulds link for aerospace

By Rhys David

COURTAULDS, the UK fibre group, is to set up a new $25m carbon fibre joint venture with the Dexter Corporation of Connecticut in the U.S., in a bid to win a share of rapidly rising demand from the aerospace industry for the material.

Courtaulds, one of only a handful of major world producers of the high strength, lightweight material, will deliver into the joint venture its existing carbon fibre and carbon fibre precursor manufacturing facilities in the UK. It has recently invested £3m ($5m) in new plant aimed at boosting output from the present 200 tonnes per annum to 350 tonnes.

Dexter's 50 per cent contribution to the venture will include a substantial cash sum together with its resin manufacturing operations in the U.S. and its marketing and technical expertise in selling resins for use in the aerospace industry. Part of the funds generated by the deal will be used to enable the new joint company, to be known as Hysol Grafil – the names respectively of Courtaulds carbon fibre and of Dexter's resin products – to build a new carbon fibre production unit in the U.S. based on the new plant now being built by Courtaulds in the UK.

The attraction of the deal for Courtaulds is the greatly improved access it will give it to the U.S. aerospace market, the biggest user by far of carbon fibre composites. The world market for the product stood at 730 tonnes in 1980, rose to 1,751 tonnes in 1982 and is expected to reach nearly 3,300 tonnes in 1985. In recent years the U.S. has accounted for two thirds of world demand with aerospace taking just under half.

Banks accused of greed in debt rescheduling

BY OUR ECONOMICS CORRESPONDENT

BANKS ARE strongly criticised by an all-party committee of MPs in a report out yesterday for the "greedy" practice of demanding more lucrative terms when rescheduling the debts of Third World countries. The Treasury and Civil Service Committee says in a report on the international banking crisis that present rescheduling exercises are at present being accompanied by heavy increases in fees and terms, thus enabling banks to treat rescheduling as a profitable activity.

The committee says: "This seems to us a highly dubious practice." It says banks ought to assume that they might not recover the full amount of their loans. This should make them increase provisions for bad debts and, therefore, show lower rather than higher profits. The report points out also that countries facing rescheduling are under duress and have little alternative but to agree to the demands of creditors.

Lord Richardson, Governor of the Bank of England, told the committee that the Labour Party's policy of engineering a substantial depreciation of sterling to promote recovery was inflationary and unworkable.

He had been asked by Mr Austin Mitchell, a Labour MP, whether the benefits expected from the recent depreciation of sterling might not have been secured by a deliberate act of the authorities rather than by market forces.

Lord Richardson replied that a deliberate policy of lowering the exchange rate by, for example, a big cut in interest rates would have sent out the wrong signals to the markets and raised inflationary expectations.

Mr Mitchell's policies would lead to a resurgence of inflation and conditions which would ultimately abort the aim of reducing unemployment – "then we would be set back on the bad old track."

Mr Mitchell then asked him why it was thought a relaxed fiscal and monetary stance could lead to a recovery of output in the U.S. but not in the UK.

Lord Richardson said although there was evidence of a U.S. economic revival, "the main anxiety and question in the U.S. about the durability of recovery rests on the lax fiscal position of the authorities."

BANK OF ENGLAND QUARTERLY REVIEW

Caution on money aims

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE BANK of England is decidedly cautionary in its latest Quarterly Bulletin about the Government's monetary targets for the coming financial year.

It emphasises uncertainties in a year which it believes will experience a modest recovery of the real economy. It says this recovery, aided by a revived world economy – and particularly a U.S. revival – will probably increase industrial borrowing and help to keep bank lending high.

The Bank says the high lending level in 1982-83 has put pressure on the monetary restraint policy, and the money supply grew within the target range partly because public borrowing was £2bn below its original £9½bn target.

In its general assessment the Bank says: "Nevertheless, combined with the prospect of inflation being contained at something close to its present rate, the present (economic) background, despite the many uncertainties, should on balance be helpful for the operation of monetary policy.

"The new target range of 7 to 11 per cent (annual growth of the money supply) should continue to help moderate the growth of domestic costs, while leaving room to accommodate the likely upturn in the economy."

The Bank, however, also lists the uncertainties facing the Government.

"The economy is not a system whose future behaviour can easily be predicted," it says in an apparently implied warning that the Government should be prepared to interpret its Medium Term Financial Strategy with considerable flexibility in the coming year.

It warns that, although the inflation rate has been reduced unexpectedly fast in the past 12 months, this was "to some extent due to world events more favourable, from this viewpoint, than can be sustained."

It also indicates some uncertainties about recent demand and output. As consumer demand rose considerably faster than either output or imports in late 1982, sales were partly achieved by a running-down of stocks.

This implies that if stock reductions slow down or end this year, some of last year's unexpectedly buoyant consumer demand would be transmitted into the current year's output.

At the same time, the Bank observes that last year's 8 to 12 per cent target range for monetary growth was looser than the target earlier envisaged. This loosening in March 1982 was made "in view of the apparent change in the relation between monetary growth and nominal income."

The Bank identifies factors which could put next year's target for money supply growth under pressure:

- Any tendency for inflation to accelerate more than predicted;
- Any industrial revival causing an increased demand for loan finance;
- Any further continuation of the structural shift in the relationship between the demand for money and total national income. A reverse of previous shifts would make the targets seem looser than intended;
- Any tendency for public borrowing to be higher rather than below its target next year.

The Bank says: "In interpreting developments, account needs to be taken of various changes in the economy which have affected monetary behavior, and of monetary factors which have affected the course of the economy – interactions which have recently been especially important.

"Careful review is needed at the present juncture, since developments have at several points been unexpected, and the behaviour of the economy thus difficult to interpret.

Consumer demand has been unexpectedly strong; the decline of imports in the second half of last year in face of strong domestic demand – and modest growth of output – was also unexpected."

Rolls-Royce turns in net loss of £134m

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONTINUED depression in world airliner sales, which has caused a sharp fall in demand for big aero-engines, was chiefly responsible for a net loss of £134m by Rolls-Royce, the state-owned aero-engine manufacturer, in 1982.

In the previous year, the company had a net loss of £3m.

The company's operating profit was £87m, against £126m, in the previous year. But after net provisions for research and development of £131m, and interest of £47m, the pre-tax loss amounted to £91m, against a profit before tax of £18m in 1981. Turnover was £1.49bn against £1.44bn.

Lord McFadzean, who hands over as chairman of the company to Sir William Duncan from tomorrow, said the basic cause of the losses last year was the continued substantial fall in available work, particularly on "large fan" jet engines, for civil airliners.

While the longer-established engines, such as the Spey jet, Dart turbo-prop, the Viper and Adour jets "remain substantial and profitable businesses," as did the Pegasus and RB-199 military jet engines. "Rolls-Royce was geared up to produce, in the early 1980s, more than 300 large fan engines of the RB-211 type each year," Lord McFadzean said.

"Estimates have been progressively revised downwards and the latest forecast is that less than a quarter of this figure will be produced in 1983. "The lack of demand for the large civil engines, a lower than expected requirement for spares, reducing inventories and shorter manufacturing lead times, produced a sharp reduction in work-load in 1982," he added.

"There was a consequent fall in employment, a significant cut in orders on suppliers, and the need for an additional provision of £32m against inventories in excess of normal scheduled requirements.

"When demand picks up, a substantial part of this excess inventory could be recovered but it was deemed prudent to make the increased provision."

Lord McFadzean confirmed earlier reports that the company would be further reducing its labour force in the current year by about 6,000. The labour force was cut by 5,900 in 1981, and by another 7,800 in 1982, a decline of 23 per cent over the two years to 45,000.

To meet the cost of redundancies, the company is allocating £38m, net "restructuring costs" in the 1982 accounts.

Lord McFadzean said that despite the difficulties, the company kept within its cash limits agreed with the Government. Apart from funds available to industry in general or aerospace companies in particular (for example, launch aid for new projects) the company estimated that it would not require further financial assistance from the Government.

Lord McFadzean held out little hope of any early improvement in the current world civil aviation situation. "With few orders being placed for new civil equipment and with surplus aircraft overhanging the market, the short-term outlook for the aerospace industry continues to be bleak," he said.

"For the next one or two years, the civil aerospace industry is likely to continue to pass through a turbulent period.

"Until the finances of the world's airlines show a more positive trend, orders for new equipment are likely to be pushed as far into the future as possible."

Court order on Laker restored pending appeal

By Raymond Hughes, *Law Courts Correspondent*

A TEMPORARY order banning the liquidator of Laker Airways taking any further steps against British Airways and British Caledonian in his $1bn anti-trust action in the U.S. was restored by the Master of the Rolls, Sir John Donaldson, yesterday.

The order had been discharged by Mr Justice Parker in the Commercial Court on Tuesday.

Sir John said his decision to restore the order was only a holding operation until a full appeal court could hear the UK airlines' appeal against Mr Justice Parker's ruling. That appeal will not come on before the next law term, which starts on April 12.

Sir John said that if Laker took further steps in the U.S. action in the meantime, they might lead to U.S. court orders being made, which could increase the difficulties that had arisen through the courts of both countries being concerned with the Laker litigation.

He said there had been an "understandable misunderstanding" on the part of Judge Green, who is dealing with the Laker case in the U.S., and who has recently been critical of the English court.

He appeared to have thought that the court had dealt with the merits of the Laker dispute, or with the question of which was the appropriate jurisdiction. That was not the case.

Ship prices will rise, says Harland chief

By Alan Watson, Belfast Correspondent

JAPANESE and Korean shipyards could attempt to increase prices significantly during the next 12 months because of growing worries about losses, Mr John Parker, chairman and chief executive of Belfast shipbuilders Harland and Wolff, said yesterday.

Businessmen in shipping reported that management in the Far East said prices now being quoted covered only material costs and between 45 per cent and 50 per cent of wage costs, said Mr Parker.

Nat. Semiconductor and IBM in Scotland

A REPORT on Scottish job losses on page 9 of yesterday's Financial Times erroneously stated that redundancies were expected at IBM and National Semiconductor factories.

BARCLAYS 1982

Operating in more than 80 countries.

The Annual General Meeting of Barclays Bank PLC will be held in London on April 27th 1983. The following are extracts from the Address to the Stockholders by the Chairman, Timothy Bevan, for the year 1982.

There has been an unusual amount of comment about the results of almost all banks in 1982, with prophets of doom abounding, but I am glad to report to stockholders that the results of your Bank – one of the largest international banking groups in the world – were respectable – a pre-tax profit of £495 million against £567 million for 1981.

Bad debt provisions

The results, of course are fundamentally affected by provisions for bad debts, which provisions are a charge against profits, and a word or two on this subject would not be out of place. Reflecting the strains of the world recession many commentators have analysed in great detail whether or not they are adequate, but this concentration on the total amount of a bank's provisions misses, I think, the point that bad debt provisions are not an end in themselves: they merely represent the allocation of part of the resources of a bank. In fact, the totality of capital and reserves is available to meet any liability of whatever kind. Secondly, international comparisons are misleading: in the UK – rightly, in my view – there are no hidden transfers to undisclosed reserves, nor, as regards specific provisions, is any form of averaging adopted. This is not the case generally throughout the world.

In your Bank the Directors decide in the circumstances of each case what provisions are necessary to meet expected bad debts. We use our own judgement and do not merely follow guidelines handed down to us by the authorities. Whilst Central Banks everywhere should take an interest in the level and method of provisions made by commercial banks, we must in the end reach our own conclusions as to how to run our business prudently.

Currently, with the world in recession it is inevitable that bad debts increase as some commercial customers, both at home and abroad, fail to survive the recessionary storm, although it is possible that at last this storm shows some signs of abating.

On the international front different factors have been at work. The world was harshly faced with difficult problems by the sharp oil price rises in 1974 and 1979. These led to huge sums accruing to the OPEC countries, while many oil-importing countries correspondingly experienced large balance of payments deficits. When many of them were in need of development capital the international banking system recycled surplus funds to those countries and for this it received the plaudits of official institutions. At the time the extent of the difficulties caused by the subsequent fall in oil and other commodity prices was not generally foreseen. With hindsight perhaps the international banking industry should have left more of the burden to institutions such as the International Monetary Fund, the Bank for International Settlements and Central Banks. But it did not seem that these bodies were ready to accept much of the load: it is only recently that these institutions have recognised their responsibilities.

What is certain is that if the OPEC surplus had not been recycled through one channel or another, the world's economic difficulties would have been greater still.

We have also played our part in the financial packages put together, principally under the aegis of the International Monetary Fund, in order to smooth the return to equilibrium of various countries, principally in Latin America and Eastern Europe. The rescheduling of some countries' debts – which has a parallel in the rolling over of company debt – is now held by some to be unwise; but we should remember that country debt rescheduling is not a new phenomenon. Between 1956 and September 1982 no less than 80 reschedulings were accomplished without much comment and without any significant loss of interest.

It is true that this is not the only consideration, for as with commercial customers, rescheduling will lock up funds which might have been put to better use elsewhere, but the collapse of important borrowing countries would be in no-one's interest. For example, around 20% of the goods exported by the industrial world are sold to non-oil developing countries and British exports and contracts to these countries represent 18% of our export earnings. It is also worth recollecting that had not financial aid been given to the devastated countries of Europe after the last war, not obvious good risks then, the present recession might seem more akin to a boom.

As it is, your Bank has not been over-extended by international lending. Our total Group cross-border exposure excluding the OECD countries (the principal industrialised countries in the West) which present few problems, represents under 10% of our total Group assets and, again excepting the OECD countries, in no one country have we an exposure of more than about 1% of our total assets. In the case of Comecon countries our total exposure is below that figure: that for Poland, for example, represents less than 0·1% of our balance sheet. I believe, therefore, that our risks – and there is a risk in almost every banking operation – are well spread.

United Kingdom

In the UK the company insolvency rate has been double that in the previous recession of 1975. Nevertheless we have been doing our best to help our customers and the communities in which we operate to survive today's difficult times. We are continuing to direct our lending where it can be put to best use, but in particular towards those businesses which we believe can survive the recession with our support, and help to refashion the economic and industrial structure of the nation. On occasion this takes us into deeper involvement than at one time we would have thought wise, and of course we cannot always be right in our judgement of who will survive, but we benefit greatly not only from the professional skills of our managers and staff, but also from their deep knowledge of their customers and the environment in which they operate.

In addition to this normal banking assistance to industry, we have gone out of our way to save jobs and to create them. In essence we recognise that a bank is in the long run only as healthy as its customers; if the community is sick, we will not prosper either.

It is not only finance which we have made available, though much money has been put into small business development, technological research, and community projects. We have seconded some four dozen staff, set up training programmes, and in the last year given advice – free of charge – to over 2,000 companies to improve their financial and planning systems.

While we readily accept our social responsibility by providing continued support for difficult cases, it is inevitable that there is a potential cost involved, not only in the conventional commercial sense, but also in the possible lock up of funds that may be needed instead by the growth points of the economy. On public as well as commercial grounds, therefore, there must be a limit to such assistance; and we welcome the signs that companies are turning back to the new issue market in order to strengthen their balance sheets, just as we ourselves have done with our two loan stock issues in 1982.

In the UK a major innovation last year was our return to Saturday morning opening in over 400 branches in order to give our customers the kind of service they merit. This exercise, carried out by Bank staff on a voluntary basis, has been a success and has resulted in a useful gain of accounts.

A reason for this move is our desire to attract more deposits from Building Society customers – we had been successful in doing as much mortgage business as we wanted, but attracting these deposits was proving more difficult, and a competitor of both of us is the Government in the form of National Savings. Incidentally, the deposit base of your Bank at home is changing – in 1970 just over half of our deposits were on non interest bearing cheque accounts – these are now down to about a quarter.

The result is that we now have to charge more for our money transmission business – or in plain terms running an account – as we do not have the benefit of the free balances we formerly held. Three thousand banking offices in the UK are not cheap to run, despite the benefits of massive automation and computerisation.

International

Internationally, 1982 was for us primarily a year of consolidation, although we have opened offices in two new countries – Colombia and Gabon. It should be remembered when considering our international operations that the great majority of our overseas business involves the taking in of deposits and lending them out within the same country. We also finance a large volume of international trade – particularly through export credits and project finance – as well as providing short-term credits and foreign exchange facilities.

The world recession that has followed the jump in oil prices of 1979 has been deeper and much more protracted and has led to greater pessimism than that which followed the oil crisis of 1974. The recession has been drawn out partly because the world's experience of severe inflation caused inflationary expectations to become deeply engrained, so that anti-inflation policies have had to work harder. The widespread increase in unemployment, from a level that was already high, is tragic; but governments would be wrong to give up the struggle against inflation. As Keynes once said "Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency."

The campaign against inflation has at last gone well. The battle against unemployment will be harder, for it cannot be won by any single policy, least of all by any country acting in isolation and certainly not by Britain alone, with nearly one-third of our production dependent on world markets.

International co-operation is needed to recreate a sense of world financial stability and in particular to produce a further fall in interest rates in real terms. At home there is no substitute for business enterprise and restraint in wage awards if Britain is to be restored to the front rank of industrial achievement and in particular if industrial profitability is to be raised above its low level of recent years. Productivity must continue to improve.

Fortunately there are now some signs of an economic upturn, but we all have to contribute if sustained progress is to be made. Banks must raise their own profitability to strengthen their capital ratios and so put themselves in a more comfortable position to absorb further risks in an uncertain world.

Lending margins in some classes of business will have to be widened, but I hope by means that will not affect unduly our smaller industrial customers, and, as industry has done, we have to reduce costs. You will see a modest step in this direction in this Report and Accounts, which have been more economically produced. Banks must also be receptive to the probably unfamiliar needs of new industries. For one thing is clear, a return to prosperity and high employment cannot be achieved merely by retracing old industrial tracks. The world of banking will be no exception to this.

Group Structure

During the year we have also held our first Board Meeting abroad – we visited Brussels – not only the capital of Belgium, but also the centre of the EEC. On a more domestic plane the UK Board met in Birmingham.

You will have seen that we have made a preliminary announcement about modernising the structure of your Group.

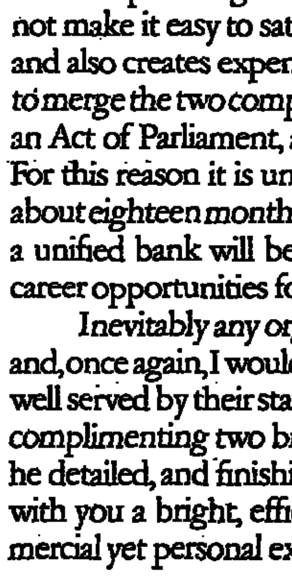
The Group operates principally through two companies – Barclays Bank in this country and Barclays Bank International abroad, though there are of course many other important parts of the Group. The legal division between the two main companies does not make it easy to satisfy the demands of multinational customers and also creates expensive capital problems. We therefore propose to merge the two companies, and it is likely that we shall again require an Act of Parliament, as we did for the merger with Martins Bank. For this reason it is unlikely that the process will be completed for about eighteen months. In the end we hope that the result of creating a unified bank will be better service to our customers and better career opportunities for the staff of the Group.

Inevitably any organisation is only as good as the people in it; and, once again, I would like to assure stockholders that they are very well served by their staff. I recently received a letter from a customer complimenting two branches of the Group on a transaction which he detailed, and finishing with the words: "I thought I would share with you a bright, efficient, speedy and thoroughly pleasant commercial yet personal experience." This seems to say it all.

Timothy Bevan

Timothy Bevan, Chairman of Barclays Bank PLC.

The Barclays Bank Report and Accounts gives a comprehensive review of the Group's activities in the UK and around the world. *To obtain a copy, just send this coupon to the address below.*



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Financial Director (Designate)

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-157.

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COMPANY NOTICES

ANGLO AMERICAN GOLD INVESTMENT COMPANY LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN that the forty-sixth annual general meeting of members of Anglo American Gold Investment Company Limited will be held at 44 Main Street, Johannesburg, on Friday April 22, 1983 at 09h00, for the following business:

1. To receive and consider the annual financial statements of the company for the year ended February 28, 1983.
2. To elect directors in accordance with the provisions of the company's articles of association.
3. To consider and, if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution.

"That the directors are hereby authorised:

(i) To allot and issue all or any portion of the 247 988 unissued ordinary shares of R1 each and the 50 000 000 unissued redeemable cumulative preference shares of 10 cents each in the capital of the company, at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine.

(ii) To make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:

(a) any shares in the company offered by way of rights issues but not taken up by the persons entitled thereto; and

(b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London Stock Exchanges during the period in which they are quoted on such stock exchanges may be sold by the underwriters, and the net proceeds of any sale of such rights shall be paid to the company."

Holders of share warrants to bearer wishing to attend the meeting in person or by proxy must comply with the regulations of the company under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the company.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per W. Q. Nicol
Divisional Secretary

Registered Office:
44 Main Street,
Johannesburg 2001.
London Office:
40 Holborn Viaduct,
London EC1P 1AJ.
March 30, 1983.

aac

COMMERZBANK AKTIENGESELLSCHAFT

The Annual General Meeting of Commerzbank A.G. will be held in Dusseldorf on 10th May, 1983.

AGENDA FOR THE MEETING

1. To present—The Annual Statement of Account and Annual Report of the *Board of Management.*
—The Annual Report of the Supervisory Board.
—The Consolidated Annual Accounts and Annual Report, each for 1982.
2. To approve the addition of DM 25 million to disclosed reserves, and additional expenses of DM 11.37 million as a result of this decision.
3. To approve the actions of the Board of Management for 1982.
4. To approve the actions of the Supervisory Board for 1982.
5. To authorise the Board of Management to increase at any time until 30th April, 1988, the share capital of the Company by DM *150 million nominal* amount, by the issue of new shares for cash in one or more amounts by Rights issues to shareholders.
6. To elect the ten members of the Supervisory Board, representing the shareholders.
7. To appoint the auditors for 1983.

The United Kingdom shareholders who wish to attend and vote at the Annual General Meeting should inform S. G. Warburg & Co. Ltd., 30 Gresham Street, London EC2P 2EB or Commerzbank A.G., London Branch, 10/11 Austin Friars, London EC2N 2HE by 29th April, 1983, either of whom will make the *necessary arrangements on their behalf.*

Copies of the Company's Annual Report for 1982 in German will be available shortly from S. G. Warburg & Co. Ltd. The Report in English is in the course of preparation.

COMMERZBANK AKTIENGESELLSCHAFT

March 31st, 1983.

NOTICE TO BOND HOLDERS

IMATRAN VOIMA OSAKEYHTIO 9¾%
20,000,000 EUROPEAN UNITS OF ACCOUNT 1975/1985
GUARANTEED BONDS

Pursuant to the provisions of the Purchase Fund notice is hereby given to Bond holders that nominal UA 758,000 have been purchased for the Purchase Fund during the twelve-month period from March 25, 1982 to March 24, 1983.

Amount outstanding:
UA 16,124,000.

IMATRAN VOIMA OSAKEYHTIO

March 31, 1983.

NOTICE OF MEETING
TIME ASSURANCE SOCIETY
Registered Office
45 Queens Road, Oldham
Greater Manchester

ANNUAL GENERAL MEETING of the above Society will be held at the Registered Office on Tuesday, 19th April 1983 at 11.45 a.m.

AGENDA

1. To receive the Report of the Committee of Management and the Accounts for the year ended 31st December 1982.
2. To elect a member to the Committee of Management. (Nominations must be sent in writing to the Registered Office to be received there at last two days before the date of the Meeting.)
3. To accept the Report and Recommendations contained *in the Actuarial Valuation of Funds* as at 31st December 1982.
4. Appointment of Auditors.
5. To approve Table F.I.B.—Family Income Benefit.

(Signed) D. R. REES
Secretary

PUBLIC NOTICES

BLACKPOOL B.C.
£1m Bills issued 31st March due 30th June at 10¼%. Applications totalled *£9m. £1m Bills outstanding.*

PLYMOUTH CITY COUNCIL BILLS
£0.8m issued 30 March, 1983 at 10¼% due 29 June, 1983. Total applications £4.8m. Bills outstanding £0.8m.

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MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)

NOTICE TO HOLDERS OF *SHARE WARRANTS TO BEARER* PAYMENT OF COUPON NO.35

With reference to the notice of declaration of interim dividend advertised in the press on March 28, 1983 the following information is published for the guidance of holders of share warrants to bearer.

The dividend of 6 cents was declared in United States currency. The dividend *on bearer shares will be paid on or after* May 17, 1983 against surrender of coupon No. 35 detached from share warrants to bearer as under:

(a) at the office of the Corporation's Continental paying agent:
Credit du Nord,
6-8 Boulevard Haussmann,
75009 Paris

(b) at the London Bearer Reception Office of Charter Consolidated P.L.C., 40 Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in United States dollars (in which case they must comply with any applicable Exchange Control regulations), payment will be made in United Kingdom currency either:

(i) in respect of coupons lodged on or prior to May 10, 1983 at the United Kingdom currency equivalent of the United States currency value of their dividend on April 22, 1983 or;

(ii) in respect of coupons lodged on or after May 11, 1983 at the prevailing rate of exchange on the day the proceeds are remitted to *the London Bearer Reception Office.*

Coupons must be left for at least four clear days (eight days if payment in United States currency has been requested) for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 3 p.m.

United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons deposited at the *London Bearer* Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend, after deducting United Kingdom income tax at 30%, will be 4.2 cents (United States) per share.

In the case of payments made in United Kingdom currency the sterling equivalent of the net dividend will be calculated in accordance with sub-paragraph (b) above.

For and on behalf of
CHARTER CONSOLIDATED P.L.C.
U.K. Transfer Agents
J. C. Greensmith
Companies Secretary

Pembroke, Bermuda
March 31, 1983.

RHYTHM WATCH CO., LTD.
(Rhythm Tokei Kogyo Kabushiki Kaisha)

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS ("EDRs")

NOTICE ISHEREB Y GIVEN that it is the intention of the management of Rhythm Watch Co., Ltd. (the "Company"), to pay, towards the end of June 1983, a final cash dividend in respect of the year ending 31st March 1983 to shareholders on the register at the close of business on 31st March 1983. Commencing 28th March 1983 the shares will be traded on the Tokyo Stock xchange ex such dividend.

Accordingly Kleinwort, Benson Limited hereby informs EDR holders that Coupon No. 12 to the EDRs will be used for the purpose of claiming this dividend and will be deemed to mature at the close ofb usiness in Luxembourg on 25th March 1983. After that time Coupon No. 12 should therefore be detached from any EDR presented for surrender and will not be issued with any new EDR.

A further notice will be published stating the amount and date of payment of the said dividend, together with the procedure to be followed for obtaining payment, as soon as practicable after receipt of the dividend by the Depositary.

Kleinwort, Benson Limited further informs EDR holders that the Company will close the shareholders' register on 1st April 1983 and re-open it on the day next following the close of the ordinary general meeting of shareholders which it is expected will be held around the end of June 1983. During this period it will not be possible to register the transfer of shares withdrawn against the surrender of EDRs.

KLEINWORT, BENSON LIMITED
Depositary

London
28th March 1983.

HONDA MOTORS

EUROPEAN DEPOSITARY RECEIPTS (EDRs) ISSUED BY MORGAN GUARANTY TRUST *OF NEW YORK*

A free distribution of shares, in the ratio of 1 new share for 10 old has been declared at the record date of February 28, 1983. EDR holders will receive new EDR certificates against surrender of coupon No. 18 as from May 1 until July 29, 1983 in the above-mentioned ratio.

The new EDR certificates will be issued in denominations of 1, 5, 10 and 100 and at an issuance cost of U.S.$1 per certificate.

After July 29, 1983, the non-exercised bonus rights No. 18 will be declared payable in cash.

TECHNOLOGY

EDITED BY ALAN CANE

LOOKING FORWARD TO THE THIRD GENERATION

Dawn of the intelligent robot

BY DAVID FISHLOCK, SCIENCE EDITOR

RESEARCH in robotics in the next 10-15 years will transform the mulish machines of today, first into second-generation robots with "commonsense," then into third-generation robots with intelligence. That is the opinion of Mr Peter Davey, co-ordinator of the national robotics research programme for the Science and Engineering Research Council.

Davey, who has his own research into advanced robots at Oxford University, gave the third and most stimulating of this year's excellent cantor lecture series to the Royal Society of Arts, on robotics. He forecast that future robots will look—and behave—nothing like the anthropomorphic engineering of today.

First, within four or five *years, industry will be re-tooling* with commonsense robots "able to cope economically with errors and shortcomings in the world around them." Later, in the 1990s will follow the intelligent robots "able to form their own detailed plans, from quite loosely defined instructions, working in more hostile environments than the factory."

Davey sees robotics research over the next 10-15 years not only as "one of the most exciting and most demanding areas *for young* engineers to work in," but *also* as a breathing space for Western society to sort out the *problems of how it is going to* live with less work and more leisure.

Robot arc-welding experiment using TV "eye" and a laser to provide "structured light" to simplify the robot's perception of its task.

The basis of most research in robotics is the three big limitations of robots today—in their capability for perception, decision and action. For example, sophisticated image analysis—"image understanding," as Davey calls it—requires computing at a speed and capacity unattainable at prices industry will accept today.

In decision-making, the limits lie within the supervisory computer, because of the complexity of the three-dimensional *working environment* of the robot.

In action, the limitations are legion. They range from accuracy, reliability and wear to the risk of catastrophic collisions at the workplace.

Far from any trend today towards the universal robot, as was once so confidently expected, the trend is away from universality, towards a small number of generic types tailored to recurring tasks such as spot-welding, gluing and assembly.

Moreover, robots are far too slow—"simply cannot compete *in terms of speed* with dedicated textile machinery." Davey believes the goal must be a robot that can play ping pong, for which there is "no hope at all" of writing a program today.

But a *structure is emerging* of the programme of research that will be required to develop the intelligent robot, Davey says. It can be visualised from four different angles: either from the standpoint of manufacture, or from the standpoint of one of the three major elements of any robotic system, namely its program, its manipulator, or its sensors.

As an example of research targeted from the manufacturing angle, he cites the work of Dr G. Pitts of Southampton University in attempting to "decompose" a product such as a sheet-metal *air* conditioning unit, into "features" to which he assigns both a value in functional terms and a cost as related to the robotics used to make it.

His aim is to identify those features which are intrinsically expensive to manufacture but not commensurately valuable to the customer. This is "desperately important research" *from* industry's standpoint, Davey believes.

The most important of the other three views of robotics research is from the standpoint *of programming*, Davey says. Five sets of software modules will be necessary offline, and four more online, to give enough decision-making capability to robots.

The offline programs will include 3-D modelling of the kind being pioneered by De Pennington's group on NO-NAME at Leeds University, in collaboration with a group of companies. This is tackling the problem of determining whether, and where two mechanical parts will occupy the same space at the same time. Davey hopes to see this *research married to the RAPT* system of "geometric reasoning" proposed by Popplestone at Edinburgh University.

Robotics research as seen from the manipulator is illustrated by a free-ranging vehicle —"thought crazy two years ago"— developed at GEC Electric Products, at Rugby, which can navigate itself by *reference to an optical market* beacon. Another is Gadfly, a robot developed at GEC Marconi Research Laboratories, for fast assembly, which uses an all-parallel linkage to give it higher speed and stiffness than the serial linkage of conventional anthropomorphic robots.

But Davey is convinced that the "arms" of future robots must achieve quite incredible speed and stiffness. He cites work at Stanford University on an arm akin in properties to a fishing rod. "Every fisherman knows that with sufficient co-ordinated skill of eye and head, even an extraordinarily flexible rod can put a fly with great precision in the desired place."

Finally, in robotics research as seen from the viewpoint of sensors, he cited his own research group at Oxford, which *is studying sensors for controlling* arc welding robots so as to make reliable joints in thin sheet metal even when the positions of the edges to be joined are not accurately known beforehand.

The prototype sensor on the manipulator in the accompanying photograph is controlling MIG welding by means of laser light and a semiconductor TV camera. The sensor is packed into a small cylinder round the welding torch and designed to *survive operations* within a few centimetres of a 2kW arc.

The laser provides what Davey calls "structured light," which plays tricks with the illumination to fool the machine into thinking the *positioning problem is simple.*

"Smart sensors" are a major research goal. Davey cites the work of Kittler's group at the Rutherford Laboratory, working with Computer Recognition Systems, on smart sensors for *image-processing for high-speed* factory inspection—of spark plugs and torch bulbs, for instance. As an example of a valuable robot sensor, Davey suggests an intertial guidance system costing no more than £1,000 (compared with about £40,000 for the cheapest today).

There is no doubt that major U.S. centres of research in robotics—Stanford, MIT, Carnegie Mellon University—are the world leaders in robotics research, Davey says.

Japan, on the other hand, has achieved an incredibly successful use of robots in manufacture from a base of *relatively little* good academic research.

Britain has excellent fundamental research in areas crucial to robotics, such as dynamic control, geometric modelling, geometric reasoning, simulation, and advanced programming techniques.

CONTROLS

Eureka control tags

FURTHER developments of the Eureka access control tag will, according to Malcolm Barker, managing director, make it one of the most acceptable and crime-proof systems available.

The tag, about the size of a book of matches, contains a sealed, custom-made integrated circuit, associated miniaturised radio circuits and a lithium battery with an operational life *of seven to 10 years.* It weighs only 17 grammes.

Kept in the pocket or handbag, the tag lies dormant until within range of a door equipped with suitable transmitter; this activates the tag and causes it to radiate a very low power signal in the 100 kHz region carrying a specific digital code.

If the code is right the door's *receiver accept* the signal and unlocks the door. Those with no tag, or an unsuitable one, would be denied access.

The attraction of the system is that the user has to do nothing except carry his tag. In difficult locations such as oil platforms, staff movement could be accurately monitored without the use of either plastic cards or keyboards.

The low frequency used gives adequate penetration of virtually all kinds of materials so that reliable short range working is assured. The system has already been used to tag cows and monitor individual animal's food consumption and milk yield.

At the moment the bit storage *capacity of the tag is* 32, *but* the company plans to increase this to 128 and beyond, making it possible to store data peculiar to the tag owner and reduce fraud due to stolen tags.

Malcolm Barker believes that within a year the company will be able to impress voice prints and signature data on the tag. Then, the user would simply approach a door, utter a *few* words and wait for a few seconds. If a special computer in the door system is able to match what it "hears" with the signal delivered by the tag, the door will be opened.

Alternatively, the user might sign his name on a pad which would be electronically read by the door system and compared with signature data in the tag.

If necessary, the door electronics can be connected to other systems over an RS 232C link to permit time and attendance recording or personnel tracking and location.

But Barker points out that Eureka can be used to stop things getting out as well as people getting in. By incorporating *a tag into each of a* company's electric typewriters for example, the alarm could be raised if a machine were taken through any main exit. More on 0753 37722.

G. C.

SENSOR SCANNING

Web inspection of materials

BY GEOFFREY CHARLISH

COMPLETE WIDTHS of web material can be examined for flaws during manufacture using a new line scan sensor from Infrared Engineering of Maldon, Essex.

The equipment could also be employed to check the registration of repetitive patterns such as watermarks on paper.

Unlike earlier web inspection systems, the IE Linescan has no moving parts such as rotating mirrors, reducing the *capital cost and simplifying* maintenance — servicing the electronics is by replacement.

Light from the whole width of the web, which might be back or front illuminated, is focused by an objective lens on to a line of 2000 photosensitive elements making up a charge-coupled device (CCD). Each of these elements registers *the light intensity it sees and* passes it along to the end of the line where all the levels are read out sequentially and examined electronically. If any single intensity is greater or less than pre-set figures, a fault or flaw is assumed.

The resolution of the system is the width of web under investigation divided by 2000 *(1 mm for a 2 metre wide web)*, but for higher resolving power additional CCD devices can be added.

Resolution along the length of the web is dependent on web speed and the sensor scanning rate, which is once per millisecond. For a web moving at one metre per second, the resolution would be 1mm.

Housed within the sensor assembly is a microprocessor which converts the data acquired during a scan into signals suitable for controlling a production sequence or operating web markers indicating the positions of the defects. Or the information can be transferred to a computer when the registration or accuracy of a pattern are to be checked.

Signals from the individual *elements of the CCD are fed* to a special circuit before reaching the micro. This "learns" the acceptable threshold for each element, eliminating the effects of any non-uniformity of illumination across the web width.

The system can be linked to fully automatic process control and data logging systems. It is also very versatile due to the use of a micro—which can be readily re-reprogrammed to suit any particular industrial *application. More from Dr R. F.* Edgar on 0621 52244.

Philips data checking

AN AUTOMATIC data network checking system called Semacon 3 has been announced by Philips Business Systems and is designed to improve the efficiency and reliability of such networks to give maximum availability.

Semacon 3 *is* completely independent of the network to which it is connected, whether new or extant, and can *be employed in* conjunction with modems from different manufacturers.

It consists of a central unit and a series of remote units which "wrap around" each modem on the network and carry out the monitoring and diagnostic tasks.

The central station has an inbuilt minicomputer which analyses all the information *received from the remote* units. A log lists all the operations carried out so that network status can be seen at a *glance.* *If* necessary the system will re-route data to avoid trouble spots. More on 0223 245191.

Monitoring

Diesel plant

THE DIRECT telephone monitoring of diesel driven plant is the objective of equipment developed by Industrial and Marine Diesels of Glasgow.

Called Dieselcom, the system is designed for use wherever such items as generators and pumps, for example, have to operate unattended. A central station can "keep an eye" on up to 1,000 satellite electronics stations, each of which is monitoring an engine.

Items such as fuel level, exhaust and water temperatures, speed and oil temperature can be monitored so that if pre-set levels are exceeded, *signals are sent down the* phone line (private or dial-up) and produce an alarm condition on the central console.

It is also possible to remotely start up the engine and test it from the console. More on 041 882 4881.

Systems

Lanier processor

LANIER Business Systems is to launch its first word processor designed for the UK *market in May. Dubbed the* EZ-1, the machine has been available in the U.S. for the past 18 months. A number of processors in the EZ-1 range are available with different memory capacities and peripherals. More on 01-549 8741.

Software

Information range for management

GOULD SEL has entered the commercial marketplace with a range *of software* systems for management information applications. The software includes office information software and produce such as the Transaction Processing System, NO-*CODE*, a *financial modelling* system and the company's implementation of the UNIX operating system. These are already on the market.

The company hopes that customers will take advantage *of its range of 32 bit super* minicomputers which are primarily aimed at the commercial OEM market.

Microcomputers

Encotel package

A SOFTWARE package to allow different microcomputers to emulate an IBM 3270 SNS *terminal* has been introduced by Encotel. The company says that it allows error-free data transmission *between an IBM mainframe* and the various microcomputers used by businesses. The microcomputers must use the CP/M or CP/M 86 operating system. More data on 01-680 6040.

M&S's new products change its image

David Churchill explains how the UK retailer widens its appeal

AT ABOUT 10.30 or so on most mornings, executives at leading British retailer, Marks and Spencer, become a little twitchy every time the phone rings. Their concern is for a possible call from the chairman or other senior directors who may have just popped into the company's Marble Arch store — a few hundred yards away from the London headquarters in Baker Street—to see how a new product launched that morning is going.

So sensitive are M & S's top executives to customer response that they can tell virtually within minutes, simply by unobtrusively watching shoppers, whether or not a new product is going to be a success or failure. Although they will give the product a couple of weeks or so before taking a final decision, nine times out of ten it is the first impressions that are spot on—and they do not hesitate to let the responsible line manager know.

It is this commitment at the highest level to new product development which is one of the key reasons why M & S has surged so far ahead of other retailers in the past few troubled years and developed from being merely a good retailer into probably the best in the UK. Since 1979, sales have increased by 49 per cent to reach £2.2bn last year, while over the same period pre-tax profits grew by 37 per cent to reach £222m.

What is of even more significance is that about half the annual sales come from new product areas which have emerged, in many cases over the past five years, such as food, home furnishings, gifts, books, plants, and cosmetics. In fact, within a relatively short period of time, M & S has transformed itself from simply a good, but middle of the road clothes retailer into a large chain of mini-department stores.

Yet in spite of its success in developing new products, about six or seven out of every 10 new products launched by the company flop. Although this is a better success rate than the average for consumer goods—failure rate is usually estimated at nine out of 10—it still shows that even the M & S magic is not infallible.

The company does not have a specific new product development department. Instead, explains Don Traugmar, head of the homewares division, "it is the responsibility of the whole buying and merchandising team."

M & S is structured into three trading groups: textiles; foods; and homewares. This latter operation, although the smallest within the portfolio (it has sales of some £300m a year, compared with about £750m for food, with the balance from textiles), is the one where most of the growth is likely to emerge.

Homewares is itself broken down into three sectors—covering footwear and accessories; home furnishings, and gifts—which each have sales of about £100m a year.

The organisational structure for each of these three sectors is a senior executive backed up by two merchandise (or brand) managers and then several selectors (the M & S term for a buyer). Ten senior selectors cover the three groups, but the food operation has about 16 senior selectors.

Potential

New product ideas are generated in two ways. Firstly, by the "organic route," whereby new products are developed out of existing areas—a new flavour of quiche, for example, or a new kitchen utensil. "This is the safer route," says Trangmar, "and we know how to do it well."

On the home furnishing side, the strategy is to develop products based on rooms, mainly kitchens and bathrooms so far. M & S has just launched a new brass kitchen clock range, for example, taking its kitchenware a stage further than simply utensils and tablecloths.

The second growth route is by going into totally new areas. Here, says Trangmar, the problem is not so much the ideas as isolating those with potential. All the company's executives are expected to be aware of potential new product ideas when they travel abroad: Trangmar himself makes special trips to the U.S. Photo-frames, for example, was an idea picked up from the U.S. and is now a major selling item.

Other ideas come from suppliers. Paul Hamlyn's Octopus Books, which produces the M & S book range, came up with the idea of selling "fun" stationery. It has subsequently become one of the company's fastest-selling lines.

Traditionally, M & S lays down very tight specifications for its suppliers to follow. However, when it goes into a new product area its problem is that it often does not have sufficient expertise to be so specific.

The approach in these cases (such as its recent move into clocks) is to identify the major manufacturers and find one that is prepared to work closely with the company and meet its exacting standards.

In established areas such as cosmetics, the selector would be experienced enough—and have sales figures to back him up—to specify not only the colour and tone, but also the raw materials used. M & S has its own packaging and design specialists to help work out the best packaging for each product.

In other established areas, such as foods, the company is usually a far more dominant taskmaster: it has its own cordon bleu chefs who will try out various combinations of dishes and employs some 70 food technologists—a much larger number than usual for a food retailer—to examine the methods of producing any new dish. (Part-baked potatoes, for example, are based on a technological breakthrough which took an M & S scientist three months to achieve.)

Manufacturers are normally only too willing to help M&S get a new product right, knowing that if it sells well a new market will be opened up and they will have a clear edge in supplying it.

Not all manufacturers are so keen, however. The major British pottery producers declined to make ceramic products for Marks. It went to the Far East for supplies—now the British manufacturers are trying to win the custom back.

Yet probably the most crucial aspect of M&S's new product philosophy is the way in which it sorts out the winners from the losers. Conventional marketing theory has it that new products should be rigorously tested before a launch, utilising both quantitative research (how many people are likely to buy this product) and qualitative research (what does a typical group of consumers think of it).

Ashley Ashwood

M & S's failure rate with new products is much better than the average for consumer goods. Ideas come from different sources: the brass wall clock was an internal idea; the writing paper was suggested by M & S's book publisher.

M & S eschews both these means of market research. The main test for any new product comes in the hardest place of all: in the store. Unlike other retailers and manufacturers it is in a unique position in that it can both develop the new product (with supplier help) and then try it out in its own stores. Other manufacturers tend to do more research, while most other retailers are dependent on new product ideas coming from the manufacturers themselves since they sell mostly branded goods. (All M & S goods are sold under its own brand name of St Michael).

Extensive

M & S has learned the hard way about the value of market research with its cosmetics range. This was launched in the mid-1970s with the aid of some market research which suggested a comprehensive range of cosmetics should be sold. But it was eventually found that some 80 per cent of the sales were coming from only 15 per cent of the product range: the M & S customers simply did not want to see as extensive a range as that carried by Boots or department stores. "So we axed 75 per cent of products that our customers told us—through not buying—that they didn't want," points out Trangmar.

All new products are tried out in up to 20 or so stores spread through the UK but always including the two main Oxford Street stores and, if possible, the store nearest the supplier concerned.

The company says it does not require new products to achieve greater gross profit margins than the rest of the business. (M&S has two basic profit margins (for foods and non-foods) on which it operates — neither of which it will reveal, although the trade estimates them to be 25 per cent or more.)

M&S's success with new products may force the City and others to re-evaluate its position in the retail world. For example, it is now among the top half-dozen food retailers in the country, the largest plant retailer, and probably in the top league of cosmetics retailers, after Boots. It is also the clear brand leader in the bubble bath market. By the end of the decade, perhaps, M&S as we know it may be a very different outfit from the traditional place to buy shirts, socks, and underwear.

Direct response advertising

Low prices at prime time fuel growing discontent

THE WHOLE area of direct response marketing, from mail order catalogues through to the glossy ads in the Sunday colour supplements, has been particularly hard hit by the recession. So it might seem a peculiar time for a TV station to choose to launch itself as a medium for direct response advertisers.

Indeed, the whole area of direct response advertising on TV is currently the subject of a heated debate between the ITV contractors and the advertising agencies.

James Galway: pulling in the pounds for K-Tel

At the end of January, London Weekend Television dipped its toe into the contentious waters of TV direct response advertising for the first time with two ecampaigns on Channel Four in the LWT region for a James Galway record, produced by K-Tel, and an educational package, "Up to Ten with Mr Men."

Both of these campaigns are running on a payment by results, or PI (per item), basis. This means that the TV company sells the original airtime at a low rate and is then paid a commission on each sale that results from the advertising. A classic example of this selling technique is the Richard Clayderman album being offered by Tellydisc.

According to figures produced by Media Expenditure Analysis Ltd, Tellydisc bought the equivalent of just over £4m worth of airtime to promote Richard Clayderman on TV. With long ads running in prime spots like the middle break of News at Ten, any normal advertiser would have had to pay something approaching £4m for this exposure. But Tellydisc will probably not even have paid one-tenth of this airtime cost, although it will have paid out extra money relating to the sales of the album.

Jim Shaw, sales director of Thames Television, says that 30 per cent of sales is the kind of cut he is looking for from record advertisers who use the PI approach. He admits that at the moment his company will not make as much money from a PI advertiser in a peak spot on ITV as it would from a regular advertiser. "But if the rate of improvement of sales were to continue, it is conceivable this might change."

(Thames is also looking for additional income from exploiting the lists it collects of names and addresses of purchasers.)

Channel Four, though, is different. "We are earning more money from direct response advertisers on Channel Four at present than we are from regular advertisers," says Shaw. "The direct response advertisers pay the same rate, but they are also paying the PI rate."

What the advertising agencies object to is not so much the LWT type of experiment on Channel Four, or outside peak time on ITV, but the use of highly sought-after times at very low prices with no possibility of pre-emption—the mechanism which applies to the sale of all other airtime and which means that any given spot goes to the highest bidder.

The agencies maintain that whereas a 90 second fixed spot in News at Ten on Thames might cost an ordinary advertiser £25,000-£30,000, the PI advertiser gets it for £90. And this advertiser is immune from pre-emption.

This dispute is currently being discussed by the Advertising Liaison Committee (ALC) of the IBA—a body set up to try to solve just these kinds of disputes through discussion and compromise.

The offering of a PI rate is a business development ploy by the TV contractors, and is something of a gamble since the return they get is based on sales, not on the demand for airtime. "By virtue of the number of people who want to talk to us, I must presume that it works," says Clive Leach, managing director of Link Television and chairman of the ITCA marketing committee.

He says that no changes are likely to be made as a result of the discussions at the ALC but adds: "We are constantly reviewing the things we do and we may decide on a slightly different way forward."

Some commentators are convinced that direct response advertising on TV could not work if the advertiser had to pay the full cost of the airtime. "It is highly dubious whether direct response will ever be viable at full rates," says Ray Morgan, media director at Benton and Bowles. "It is asking too much of a screen to parade the wares with sufficient clarity. You can give so much more information in the Press."

And in the Press the direct response advertiser pays the same rates as everyone else. Many of the famous names of Sunday colour supplement advertising found the going tough last year — Scotcade and R. J. Wiltshire were sold off by Courtaulds and Brown and Jackson respectively, W. H. Smith's Kaleidoscope laid off a quarter of its staff — and according to one survey the volume of ads in the colour supplements fell by 32 per cent in the last quarter of last year over the same period of 1981.

Optimists and futurologists look to the advent of armchair shopping via the TV set and an interactive cable network and say that direct response advertising on TV is the medium of the future. At present direct response accounts for 2-5 per cent of airtime (according to region) and is clearly not likely to take over from the supermarkets in the short term.

Chris Davies, managing director of the Aspect advertising agency, believes that direct response on TV can work. He quotes a campaign his agency ran last year for Alpine Double Glazing: "We had a TV campaign followed by a Press campaign, and we knew from experience exactly how well the Press ads ought to do. The TV ads weren't very successful in response terms but the image and awareness surveys were good. But the TV campaign had a stunning effect on the subsequent Press responses. I believe that linked TV and Press ads is the way that it will go."

Howard Sharman

LEGAL NOTICES

IN THE MATTER OF
THE COMPANIES ACT 1948
AND IN THE MATTER OF
HOLDWOOD INTERNATIONAL (COSMETICS) LTD
CREDITIME LTD
DIRECTRIGHT LTD
(In Voluntary Liquidation)

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above-named Companies will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Thursday 21st April 1983 at 10.15 a.m. to be followed at 10.30 a.m. by a General Meeting of the Creditors for the purpose of receiving an account of the Liquidator's Acts and Dealings and of the conduct of the Winding-up to date.

Dated this 25th day of March 1983.
P. W. J. HARTIGAN,
Liquidator.

COMPANY NOTICES

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c.

3½% Debenture Stock, 1963-93
13% Debenture Stock, 1997-99
Notice is hereby given that the REGISTERS of the CORPORATION'S above mentioned debenture Stocks will be CLOSED for TRANSFER and REGISTRATION from the 18th to 29th April, 1983 both days inclusive.
By Order of the Board
H. J. McTurk, Secretary
48 Palmerston Place
Edinburgh EH12 5BR
31st March, 1983

PERSONAL

هكذا ورد الأصل

THE ARTS

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 6565).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile,

Arts Week

F	S	Su	M	Tu	W	Th
1	2	3	4	5	6	7

Helene Hanff, and the owner of a West End bookshop. (836 1171)

Guys and Dolls (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

The Misanthrope (Circle in the Square): A witty translation by Richard Wilbur challenges an excellent cast to handle rhyme as dialogue which they ably do, led by Brian Bedford, supported by Stephen D. Newman; director Stephen Porter and especially costumer Ann Roth. (581 1346)

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technico' Dreamcoat (Royale): The first wo... by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (239 6262)

Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with a local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)

Angels Fall (Longacre): Lanford Wilson's ponderous and pretentious ruminations on life after a nuclear accident transfers boldly to Broadway after a decidely lukewarm reception at the Circle Rep. (239 6200)

WASHINGTON

Screenplay (Arena): A circus setting is used by director Zelda Fichandler to present Istvan Orkeny's last play, which creates its own show trials for a fictitious Hungarian politican recalled from his ambassadorship in Paris to witness the testimony prepared against him. (254 9895)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Molière's masterpiece about quackery and hypochondria in the ancien régime. (488 3300)

The Iceman Cometh (Eisenhower, Kennedy Center): Jason Robarts retakes the role of Hickey und Jose Quintero's direction for this O'Neill revival of bar-room reflections throught the bottom of the mug. (254 3670)

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Gardenia (Goodman) John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocent.

VIENNA

Vienna's English Theatre (421 260): Arsenic and Old Lace (daily except Sun)

Theater an der Wien (579 632): Anatevka (daily except Mon)

Music

NEW YORK

New York Philharmonic Zubin Mehta conducting. Wagner Bruckner (Tue); Zubin Mehta conducting, Krystian Zimerman, piano. Schoenberg, Liszt, Debussy (Thur). Avery Fisher Hall (874 2424)

Carnegie Hall Ensemble Instrumental de France. Jean Pierre Wallez conducting, Daniel Varsano piano and Brooklyn Boys Chorus. Mahler (Mon); Philadelphia Orchestra. Erich Leinsdorf conducting. Haydn, Webern, Brahms (Tue) (247 7459)

Merkin Hall Fine Arts Quartet, Margaret Mills, piano. Mozart, Shostakovich, Anthony Newman world premiere (Tue); Robert Herring, baritone Recital. Ives, Copland, Liszt, Poulenc, Finzi (Thur), Abraham Goodman House (129 W. 67th, 362 8719).

CHICAGO

Chicago Symphony: Sir Georg Solti conducting. Wagner (Thur) Orchestra Hall (435 8122).

LONDON

London Concert Orchestra with Jack Rothstein, violin, directing and Ian Wallace, bass/baritone. Viennese programme including Mozart and Schubert. Barbican Hall, (Mon, 3pm): (638 8891).

Royal Philharmonic Orchestra conducted by Yan Pascal Tortelier with Pascal Roge, piano. Mozart. Barbican Hall (Mon, 7.30pm).

Philharmonia Orchestra conducted by Charles Dutoit with Marisa Robles, harp. Spanish programme. Royal Festival Hall (928 3191) (Mon).

Royal Philharmonic Orchestra conducted by Carl Davis. Carl Davis. Royal Festival Hall (Tue).

Chilingirian String Quartet with Nobuko Imai, viola. Brahms. Queen Elizabeth Hall (Tue). (928 3191).

Academy of Ancient Music directed by Christopher Hogwood with soloists including Emma Kirby and David Thomas. Haydn and Mozart. Barbican Hall (Tue).

London Mozart Players conducted by Harry Blech with Yan Pascal Tortelier, violin, Paul Tortelier, cello and Maria de la Pau, piano. Mozart, Beethoven and Mendelssohn. Royal Festival Hall (Wed.)

English Chamber Orchestra conducted by Nicholas Kraemer with Jose-Luis Garcia, violin and Anthonyy Halstead and Christian Rutherford, horns. Handel, Vivaldi and Tartini. Queen Elizabeth Hall (Wed).

London Philharmonic Orchestra conducted by Klaus Tennsetdt with Radu Lupu, piano. Brahms. Royal Festival Hall (Thur).

Manchester Camerata conducted by Nicholas Braithwaite with Moura Lympany, piano. Mozart. Queen Elizabeth Hall (Thur).

Ronnie Scott's Frith Street: Trumpeter Kenny Ball leads a British Trad band.

VIENNA

Musikverein (658 190): Rudolf Buchbinder. Beethoven, Schubert and Chopin (Tue).

Konzerthaus (721 211): Vienna String Sextet. R. Strauss, Martinu, Dvorak (Thur).

David Wall and Sandra Conley in the Royal Ballet's Valley of Shadows at the Royal Opera House, Covent Garden

Opera and Ballet

NEW YORK

Pilar Rioja: Internationally known flamenco dancer performs to the music of Bach, Corelli, Albinoni, Bocherini and the poems of Garcia Lorca. Gramercy Arts, 138 E. 23rd (889 2850).

Metropolitan Opera: Season's first performance of Parsifal conducted by James Levine with Tataniana Troyanos. Timothy Jenkins and Simon Estes, joins performances this week of Die Walküre, Il Barbiere die Siviglia and Il Trovatore Opera House, Lincoln Center (580 9830).

WASHINGTON

A Bride from Pluto: Gian Carlo Menotti's opera which premiered a year ago to celebrate the Kennedy Center's 10th anniversary, becomes this year's keystone of an "Imagination Celebration." The itinerant programme for children goes from here to Tucson, Milwaukee and Seattle with the Menotti opera a giant puppet version of Peter Rabbit and a play about boxer Joe Louis. Terrace, Kennedy Center (254 9895).

PARIS

Maurice Bejart's XXth century ballet with Sylvain Cambreling as conductor: Stravinsky's "L'histoire du Soldat." London Festival Ballet performing Giselle with Natalia Makarova, Eva-Evdokimova and Peter Schaufuss. TMP-Chatelet (261 1983).

Rigoletto performed by the Basle Opera Choir and the Basle Symphony Orchestra conducted by Armin Jordan at the Theatre des Champs Elysees (723 4777).

LONDON

Royal Opera, Covent Garden: Don Carlos, a French Grand Opera at last given at Covent Garden in its original language, returns with a cast of newcomers to their roles, including Robert Lloyd and Thomas Allen and Bernard Haitink as conductor. (240 1066)

WEST GERMANY

Berlin Deutsche Oper: Parsifal has Martti Talvela and James King in the leading roles. Boris Godunov, a well done production by Rudolph Sellner, features Sieglinde Wagner and Martti Talvela. A new production of the Merry Wives of Windsor with Alfred Kuhn as Sir John Falstaff and Norma Sharp as Mrs Fluth; Lucia di Lammermoor and Der Wildschütz. (343 81).

Hamburg Staatsoper: Alexander Zemlinky's last opera Der Kreidekreis, staged after a long and noticeable absence, is a great success. The new production by Herbert Wernicke is set not in China but in Germany in the early 1980s. Lohengrin is presented this week, produced by August Everding. It has Peter Hofmann in the title role. Carol Neblett triumphs as Amelia in Ein Maskenball. Fidelia has Lisbeth Balslev in the part of Leonore. (35 11 51).

Cologne Oper: Parsifal, produced by Jean-Pierre Ponnelle, has Peter Lindroos in the title role and Waltraud Meier, famous for her rendition of this part in Bayreuth as Kundry. Also this week the Magic Flute and Orpheus ed Euridice. (207 61).

VIENNA

Staatsoper (5324/2655): Die Entführung aus dem Serail, Die Meistersinger von Nürnberg, Parsifal.

Volksoper (5324/2657): Der Graf von Luxemburg, Die Entführung aus dem Serail, Das Feuerwerk.

Exhibitions

WEST GERMANY

Cologne, Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin, Brauhaus Archiv, Klingelhöferstrasse: German paintings from the 1920s and 1930s on loan from Harvard University's Busch-Reisinger Museum. Ends April 17.

Munich, Lenbachhaus, 33 Luisenstrasse: More than 200 paintings by the Russian artist Alexej von Jawlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17.

Berlin: National Gallerie, 58 Kurfürstenstraße. The only German venue of Swiss artist Ferdinand Hodler exhibition, which offers the first comprehensive survey of his work since his death in 1918. Ends April 24.

Bremen, Kunsthalle, 207 Am Wall. Drawings, water colours and pastels by the 'Nabis' and the 'Fauves', two French groups of artists from between 1890 and 1930. Ends April 10.

Hamburg, Kunsthalle, 1 Glockengiesserwall: Portraits from Martin Luther's times. Ends April 24.

Frankfurt, Kunstverein, 44 Markt: Photographs, drawings and graphics by David Hockney underline his importance as Britain's foremost realistic painter. Ends April 24.

PARIS

Giorgio di Chirico: Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, including the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (277 1112). Closed Tue. Ends April 25

Sèvres From 1850 To Our Day: A panorama of the Sèvres production from the Second Empire creations to contemporary abstract designs with – at its centre – an enchanting ensemble of monumental belle epoque vases in pastel colours. Louvre des Antiquaires, 2 Place Palais Royal, 11am – 7pm. Closed Mon. Ends April 10.

LONDON

The Barbican Gallery: Rodin and his Contemporaries – the great formative genius of modern sculpture seen for once not in isolation, but in his true and proper context, his work itself conditioned by the romantic mid-century tradition, and reflecting the achievements of his great contemporaries, Degas for example, and running on to affect directly the next generation – Picasso, Bourdelle and Maillol conspicuous among them. Ends April 10.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

WASHINGTON

National Gallery: Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24 (357 2700)

Corcoran Gallery: The latest in the Corcoran's Biennials, a tradition going back to 1907, concentrates on regional artists of the American west with 30 living painters represented by 106 works. Ends April 3.

CHICAGO

Chicago Historical Society: Besides a permanent collection with a visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution has a special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

VIENNA

Museum für Angewandte Kunst: Meissner Porcellain from 1710 until the present.

Opec House: Ecuador. Treasures of the past.

Palais Palffy: Turkish weapons from the Zagreb historical museum as part of the celebrations for Turkish year in Vienna. The collection of armoury and weapons, many with individual and magical designs, shows development between the 18th and 19th centuries.

Albertina: Josef Danhauser, the Biedermeier painter (1805-1845) previously lost and now rediscovered.

Julius Caesar/Royal Shakespeare

Antony Thorncroft

The Royal Shakespeare Company open its 1983 season at Stratford-up-Avon with a vigorous new production by Ron Daniels of *Julius Caesar*. This, the simplest of Shakespeare's plays — plot straightforward; characters crystal clear; moral transparent—gives the director a tough challenge. Too often it degenerates into postured speeches in the first half, confusing battlefield alarums in the second.

Daniels tackles the simplicity by making the actions even more obvious. At the two key moments—the murder of Caesar and the orations by Brutus and Mark Antony, over his body—a screen descends over the stage to show close-ups of the actors. Caesar's death agonies are magnified and Brutus's plain words and Mark Antony's sophistry are rammed home. It is distracting to begin with—do you watch actor or screen?—but the impact is undeniable, especially when the cameras switch to the reactions of the mob.

Alastair Muir

Emrys James and Peter McEnery

The technology, courtesy of sponsors Link, is used sparingly, but, the magnification of the plot, the bluntness of its message, characterises the entire production. The costumes are vaguely totalitarian as are the sets. The senate, bathed in bright orange light, is reminiscent of Mussolini's Rome and the battle scenes have the feel of the trenches. Caesar's dictatorial authority is well caught by a commanding Joseph O'Connor, and David Schofield, as a lilting Mark Antony, and Nigel Cooke as Octavius are all too obviously set to assume his power in turn.

Peter McEnery's Brutus is blatantly the most noble Roman of them all. His doubts about Caesar exploited by his fellow conspirators, McEnery never loses for a second the internal struggle. He is doomed from the start, all Portia's fears quite justified. The women in this production, Gemma Jones as Portia and Lesley Duff as Calpurnia, make a significant impact. Daniels uses them well, especially when they are integrated into his crowd scenes. The sad gaze of Calpurnia as she kneels before Caesar's corpse while Mark Antony manipulates the mob from the pulpit above, forms a touching cameo.

There is little more than raw ambition in Schofield's Mark Antony. At the start he is observed as Caesar's toy boy, stripped for the religious ceremony but once clothed he shows no true grief for his lost leader, his eyes fixed on his main chance. Emrys James has hardly a lean and hungry look as Cassius but his emotional twists contrast him with a political detachment all around in a production which makes few attempts at subtlety but gets the Stratford season off to a fast and furious start.

Run For Your Wife/Shaftesbury

Michael Coveney

In Ray Cooney's new comedy (I shall resist all further terms of hyperbole) Richard Briers plays John Smith, a bigamous taxi driver who has been hit on the head with a handbag in a mugging incident. Pursued by the police for details, he races between his two homes in Wimbledon and Streatham, accounting frantically for his movements to a couple of apparently stupid wives, partnered in a series of improvised deceits by Bernard Cribbins as Stanley Gardner, a gullibly co-operative neighbour.

Once you accept two extra-ordinary premises—that Stanley knows nothing of Smith's double life until now and that Smith's schedule leaves him no time at all for any work whatsoever—the rewards of the first act, though small, are reasonably amusing. These include an endless stream of stunned double takes by Messrs Briers and Cribbins at each other's lunatic explanations. Stanley is passed off as a farmer with a job lot of beetroot to unload, the husband of one of the wives, a marriage-busting homosexual, and the father of a drug-crazed schoolboy.

Mr Cribbins greets each new label with crumbling resignation, falling flat on his back over a sofa, seeking womb-like solace in a chair and finally exiting forlornly on hands and knees as another lurid revelation hits him over the back of the head. This performance, a riot of signalled desperation and limpid benevolence, is an effective foil to Mr Briers' rapid fire switches between expressions of hope, inventive energy and modulated panic. The hapless victim ends Act 1 calmly consuming the evidence on the front page of the Evening Standard wherein lies all the news that's fit to eat.

In the school of Whitehall farce, *Run For Your Wife* is not of the same vintage as *Simple Spymen* or even *One For the Pot*. There is a quite nauseating accumulation of queer jokes and stereotyped mannerisms as the plot thickens only to coagulate in an unresolved tumescence of wrist dangling innuendo. Mr Cooney has directed his own work with conviction and the appropriately suburban design is by Douglas Heap.

Brighton Beach Memoirs/Alvin, New York

Michael Coveney

An adolescent boy pitches a ball in his backyard and is interrupted by his mother's shouting from the kitchen. He turns in dismay towards the audience and, before scooting off yet again to the grocery store on an errand, he takes us into his confidence. Eugene is our guide through the pages of a family album dating from 1937 in Brighton Beach. He is thinking of becoming a writer but, in the meantime, he has mother to contend with, as well as the onset of a sexual fascination with his cousin Nora.

Nearly all of Neil Simon's plays contain a strong element of autobiography, and the new comedy that has just opened at the Alvin Theatre in New York is no exception. What is different here is the careful, affectionate evocation of a vanished era, the explicit attempt of Mr Simon to celebrate his early years and the domestic patchwork of a humble Jewish milieu squeezed on one side by the Depression and shadowed on the other by upheavals in Europe.

The ingenuity of the construction resides in the fact that Eugene is both orchestrator of the memory play and chief butt of the family. Matthew Broderick plays him as a shy, awkward, bright-eyed gofer who exerts a double bind on our sympathy, as storyteller and victim. His mother (Elizabeth Franz), in his eyes at least, is a hatchet-faced harridan; his father (Peter Michael Goetz) a fount of wisdom and final arbitration; his elder brother (Zeljko Ivanek) a reveed guide to the joys of masturbation; Nora (Jodi Thelen) the unobtainable sexual ideal.

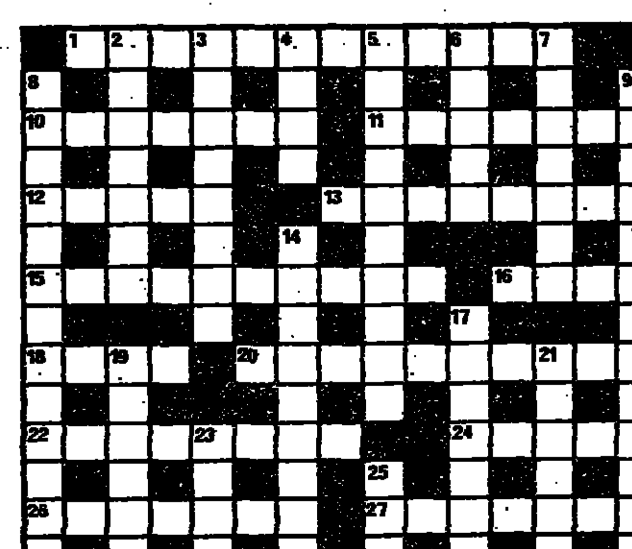
Matthew Broderick

At the same time, and this is cunningly achieved, the characters around Eugene take on a life and substance independent of his view of them. On David Mitchell's split level design, each segment of the house is realistically conjured and the social collisions and petty squabbles set in picturesquely convincing relief. But while the play deals as much in pain as it does in comedy—Nora is thwarted in her ambitions to become a dancer, Eugene's brother nearly loses a job then gambles his week's paypacket away, a conflict between the mother and her sister boils sulphurously after simmering down the years—the overall impact of the play is quaint, cosy and untroubling.

The piece has a sor of depressing compactness about it, a tailored competence that drains the evening of anything resembling real joy, real elation or indeed real anguish. Gene Saks's direction is tight and efficient, but it cannot deter a theatrical mustiness settling over the proceedings. At the end, you realise that Simon's Eugene, unlike Proust's Marcel, is actually a bit of a self-glorifying bore. His continual intervention as narator is instinct with a grinding monotony and the play sits there like an old-fashioned antique tarted up for quick sale.

Merlin at the Mark Hellinger is a cumbersome musical by Elmer Berstein (music), Richard Levinson and William Link (book) and Don Black (lyrics) starring the magician Doug Henning and the magical Chita Rivera. It's all tosh, but there are some spectacular illusions, one of which involves the obliteration of a horse as it falls through a cage only to appear instantly a few seconds later on the other side of the stage. Mr Henning has the chipper bounce (and front teeth, for that matter) of Bugs Bunny, and Miss Rivera a leggy insouciance as a wicked old queen. For undiluted fun I recommend a marvellous revue compiled and directed by Martin Charnin. *Upstairs at O'Neal's* is upstairs at O'Neal's and the perfect end to a hectic day on the town.

F.T. CROSSWORD PUZZLE No. 5,136



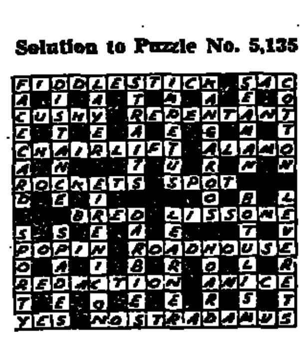
ACROSS

1 Grudging tribute is often paid to him (3, 9)
10 Rock band (7)
11 Studio that is later converted (7)
12 Show into Pope's house? (5)
13 More of the same in Latin (2, 6)
15 Hope engendered by the will? (10)
16 A man to turn to (4)
18 Well-produced paintings? (4)
20 Sid got back strain through stretching (10)
22 Time to start another day (8)
24 Should prove uncommonly tough (5)
26 Short of necessary (7)
27 A fabulous horseman (7)
28 He looks for a way to sell his wares (6, 6)

DOWN

2 But for inflation it would never have gone up (7)
3 A drop of water (8)
4 Fabric that's stiff or limp (4)
5 Extensive property (10)
6 I object to the subject of discussion (5)
7 One object in rent is investment (7)
8 Take the lead for granted? (6, 7)
9 Phenomenal example of growth (5, 3, 6)
14 Food that may be undishable! (6, 4)
17 One can't sleep through it (8)
19 They are made to scale (7)
21 He doesn't appreciate where the coal goes (7)
23 Make a deduction (5)
25 Short way round company tax (4)

Solution to Puzzle No. 5,135



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday March 31 1983

The new U.S. arms offer

THE TABLING of new American proposals in the arms control negotiations in Geneva is a constructive step, which may prove useful in propaganda as well as in substantive terms. But it cannot be counted on to lead to any rapid movement towards an agreement between the U.S. and the Soviet Union, and may therefore be unable to forestall continuing agitation and controversy in Europe.

Although the new American formulation is expressed as a set of principles rather than as a set of numbers of weapons, President Reagan has made it clear that the objective must be significant reductions both in the number of Soviet SS 20 missiles which are already deployed, and in the number of cruise and Pershing II missiles planned for deployment by Nato. The fact that Mr Paul Nitze, chief U.S. negotiator, is not tied down to a specific target figure should mean that he will have greater flexibility to explore alternative options with his Soviet counterpart.

Last summer the two teams discussed the hypothesis of an agreement for 75 missile launchers on each side, but the idea was disowned by both Moscow and Washington. This time round, the U.S. wants to count warheads rather than missiles—the SS 20 has three warheads, cruise and Pershing only one each—and some reports have referred to a target of 300 on each side, substantially below current Soviet and planned Nato levels.

But while the idea of equal numbers at lower levels looks both reasonable and equitable, it cannot be counted on to find favour with the Soviet Union, at least not for several months to come. Some Soviet commentaries have compared Nato's plans, for long-range missiles in Europe, as the mirror image of the 1962 crisis, when Khrushchev tried to instal missiles in Cuba.

Argument

Considering the steady build-up of SS 20s on the Soviet side, this argument may be largely bluster. But the Soviet Union may be unwilling to accept any negotiated ceiling on its land-based theatre nuclear weapons, when it knows that the U.S. could, at a pinch, place cruise missiles out at sea.

The chief stumbling-block may be American insistence that any agreement should include global ceilings, effectively covering Soviet missiles in the far east, targeted on China. Understandably, the U.S. wants to ensure that Moscow cannot shift mobile SS 20s back within range of western Europe in times of potential crisis. But it will be hard to negotiate a formula which imposes limitations on the Soviet Union in the far east, yet none on the Chinese who play no part in the Geneva negotiations.

Questions

In any case, the Soviet Union may well stall in Geneva, at least until the end of the year, in the hope that popular resistance in Europe may yet prevent the deployment of new Nato weapons, without requiring any counterbalancing concessions from Moscow.

Yet these detailed issues are overshadowed by the much more general questions raised by the apparent reversal of U.S. strategic nuclear policy, as outlined in President Reagan's call for a defensive strategy last week. In the past ten years all arms control negotiations between the super-powers have been based on a common understanding that the large-scale deployment of anti-ballistic missile (ABM) systems could be destabilising and dangerous. This common understanding has, at the very least, been shaken by President Reagan's television speech.

It may be argued that President Reagan explicity committed himself not to undermine the 1972 ABM treaty; that he was only speaking of a dim, distant and unpredictable future; and that, in the meantime, there has been no change in U.S. nuclear policy. It is also true that both super-powers have for some years been researching the potential of space-age technology for weapon development.

Nevertheless, it is impossible to deny that in President Reagan's mouth these possibilities were expressed as an earnest aspiration, and that its fulfilment would necessarily involve the overthrow of the ABM treaty. Fulfilment may be many years away, and may prove impossible. But in the meantime the rest of the world must be wondering whether the very foundation for nuclear weapons negotiations between the U.S. and the Soviet Union has not been seriously undermined.

These doubts can only have been reinforced, in Moscow, by the violence of President Reagan's rhetorical attacks against the Soviet Union.

A tilt at bank profits

IT IS one thing to focus official attention on emergency support packages fgor sovereign debtors in order to prevent the collapse of the world banking system; quite another to press the international bureaucratic machine into longer-term consideration of debt reconstruction and the reform of banking supervision. The Treasury and Civil Service Committee of the House of Commons has thus performed a useful service in looking pointedly to the medium-term in its latest report on the international debt problem.

The committee does, admittedly, share the conventional wisdom that the biggest threat to a successful resolution of the dilemma lies in an inadequate economic recovery, which would make the debtors' adjustment programmes more difficult to accomplish and hamper debt servicing capacity. But it sees no reason to live on in hope without taking other precautionary steps to ease the strain. More specifically, it directs itself towards remedying the mismatch between long-term development commitments in the debtor countries and the short maturities of the bank deposits that finance those commitments at high (and floating) real rates of interest.

Expansion

Of the proposed solutions, the suggestion that the role of international financial institutions be increased has already been widely canvassed. But in arguing for a stimulus to new forms of private sector lending, the committee broaches more interesting territory.

In addition to calling for an expansion of long-term bond issues by individual countries, it suggests that where conventional bond issues are ruled out by investors' perceptions of risk, the World Bank or IMF might provide partial guarantees for issues of bonds by consortia of developing countries. A case is also made for the Paris Club to reschedule debts with two or three years to maturity instead of concentrating on much shorter periods as at present.

The committee's most novel assertion, however, is that the banks should cease to reschedule debt at substantially increased spreads. Given the risk in rescheduling, the report argues that the banks should make sufficient provisions to show lower rather than higher profits on such loans. It adds that a convention should be established that in a general rescheduling banks should not be entitled to ask for more favourable spreads than previously obtained unless the previous spreads were unusually low.

Weakened

It is hard to disagree with any proposal for longer term funding. The problem with bond market financing, however, is that the banks would be left with the lower quality loans and weakened balance sheets. Guarantees from the IMF or the World Bank for the less attractive prospects, meanwhile, constitute a bailing out proposal that is hard to reconcile with the committee's views on the role of lenders of last resort.

"Imprudent lending," it suggests in classic disciplinary style, "should be penalised by demanding a change of management, where it has been at fault, before a rescue operation is mounted and by ensuring that losses reduce the value of shareholders' equity before there is any call on the public purse."

The fact is that spreads in syndicated lending were far too depressed in the heyday of petrodollar recycling. For those banks that are not in the happy position of being able to raise new equity, as Standard Chartered did yesterday, increased spreads are the only path to a stronger capital base. In these circumstances the job of the regulator is not to rig the market by laying down norms for profit margins, but to ensure (as the committee argues elsewhere) that proper provisions are made and that standards of disclosure are improved.

There is much to criticise both in past lending habits and in the present approach to provisions (although the British are far from being the worst offenders here). But the case for imposing depressed profit margins on banks is even less plausible than the case for a wholesale bail-out.

NEW WEAPONS TECHNOLOGY

The beam in the Pentagon's eye

By David Fishlock, Science Editor

HALF a century ago scientists at the (then) Air Ministry in London came up with a simple scheme for evaluating "death rays." Inventors were constantly touting "black boxes," as the ministry scientists called them, which, if only they could be made bigger and pointed skywards, would shoot down an aircraft or stop its engines.

Invariably, however, the inventor would demand large amounts of cash on the table before he would let anyone peek inside his black box. The ministry resolved this problem by offering £1,000 to anyone whose black box could kill sheep at 100 yards. "The mortality rate of sheep was not affected by this offer," one scientific adviser comments drily.

The idea of concentrating enough energy into a beam that could destroy an aircraft or a missile—raised again in President Reagan's controversial speech last week—has always been fine in theory. In practice, there are however two overriding problems: how to pump enough energy into a narrow beam and how to avoid dissipating it again as it fans out like the light from a torch over long distances.

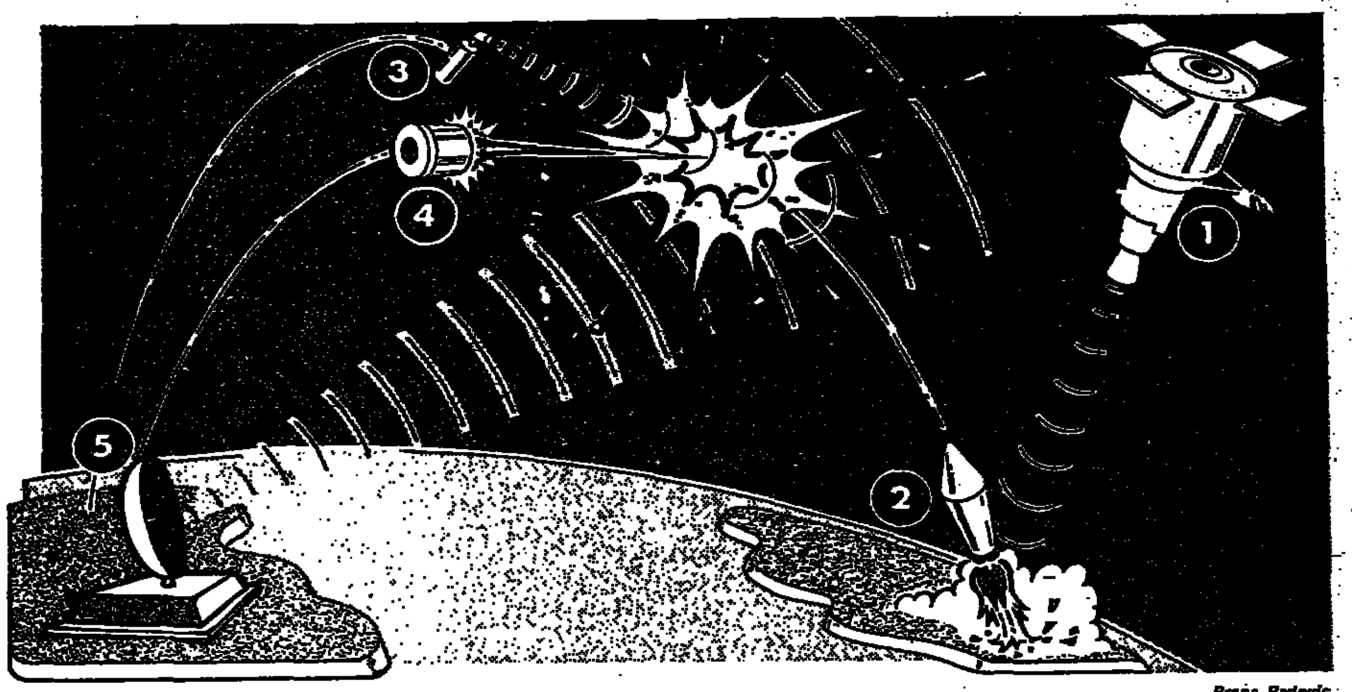
Many of the best scientists involved in radar development in the Second World War turned afterwards to the design of accelerators — "atom-smashers" —generating powerful beams capable of shattering atomic nuclei into ever-finer fragments. This was science of the most esoteric order, advancing knowledge of the fundamental structure and bonding of matter. But politicians kept voting huge, ever-increasing sums for accelerators.

In fact, the breakthrough came with a beam of a different kind, in 1960, when Dr Theo Maiman demonstrated the laser in the Californian laboratories of Hughes Aircraft, a major U.S. defence contractor. The laser amplifies and refines the band of electromagnetic radiation known as light—visible, infra-red or ultra-violet light. The laser can direct this light at a single wavelength, at greater intensities than has been possible before, and as a beam which fans out far less than ordinary light.

Engineering development over 20-odd years has advanced the laser to a point where today it can amplify beams of widely different wavelengths and, in the case of the infra-red laser it is as powerful as many kilogrammes of TNT.

The major attraction of any beam compared with any present-day weapon, including "intelligent ordnance," is its speed. A beam can travel up to 100,000 times as fast as a missile. No conceivable development in despatching warheads could bridge so huge an advantage in speed.

Beams can already be made powerful enough to melt any metal and factories use electron-beams and laser beams to cut and weld metal. Ten years ago the U.S. Air Force shot down a drone aircraft by laser beam. More recently it has shot down anti-tank missiles travelling at 500 mph; and late last year an elderly intercontinental ballistic missile, the Thor.



Brana Radovic

U.S. scheme for testing a laser-beam "gun" as part of a potential ballistic missile defence system. Infra-red sensors on the early warning satellite (1) give first warning of an ICBM launch from the heat radiated by the missile (2). On receipt of its warning the infra-red telescope (3) and laser interceptor satellite (4) are launched under radar guidance from the ground (5), to engage and kill the ICBM while it is still in its boost phase

That said, there are some fearsome obstacles for such "directed-energy" schemes to surmount before use could be made of them as an infallible umbrella against attack by fast-moving and manoeuvrable nuclear warheads. President Reagan himself acknowledged this. "It will take years, perhaps decades, of effort on many fronts," he said in his speech.

A proton beam of the kind generated in the world's most powerful accelerators — about 1 cm in diameter—would spread to a circle of 3 km over a range of 1,000 km. Electrons, which are about 2,000 times lighter than protons, could be accelerated close to the speed of light and would spread to a circle of only 5 metres over the same range. Such a circle falls within the bounds of possibility as a weapon, some defence scientists say.

The Pentagon has a directed-energy research programme called Chair Heritage investigating such electrically-charged particle beams as they are known. It includes the development of a powerful electron-beam "gun" at the Lawrence Livermore Laboratory in California, for study of beam propagation and target damage.

But such charged-particle beams encounter another problem with the earth's magnetic field. This will bend them just as surely as wind will deflect a shell. Over a 1,000 km range, a beam will deflect through a huge arc, veering hundreds of kilometres off course.

Neutral (uncharged) particle beams—including laser beams—are immune to these magnetic effects. Of such beams—neutrons, gamma-rays, light rays, etc—the most promising appear to be beams of laser light.

But the energy in the beam needed to ensure that an enemy warhead cannot reach its target is immense. The beam will have to be aimed at one of two places on the approaching missile: either the fuel tank or the warhead itself. And it takes ten times as much energy to explode the fuel as to blow up the conventional explosive used in the nuclear warheads because the explosive is more unstable. This is important as the fuel tank presents a much bigger and thus more inviting target.

Accelerators that can generate this kind of power today are of two broad types: high energy, low-current, such as the two-mile-long Stanford Linear Accelerator; or low-energy but very high current, of the kind found in some U.S. defence research centres. Space war requires both very high energies and high beam currents.

Anti-missile defence relies on exploding a nuclear warhead close enough to an incoming missile to release a flash of destructive rays as in any nuclear explosion. Dr Kosta Tsipis, a U.S. defence research adviser, based at the Massachusetts Institute of Technology, has recently given a graphic description of what happens "inside" a nuclear explosion.

The process "is completed in less than a millionth of a second, at the end of which a furiously expanding mass of radio-active nuclear fragments and newly created helium nuclei, all stripped of their electrons, form a cloud of vaporised matter a few metres in diameter with a temperature of many tens of millions of degrees. This is what is known as the fireball . . . the largest fraction of energy is released in the form of electromagnetic radiation: gamma rays, X-rays, ultra-violet light, visible light and, eventually, infra-red radiation."

This cocktail of rays is called an electromagnetic pulse (EMP). In space, where there is no air to transmit blast, it is this EMP which does the damage to on-coming missile systems.

Directed-energy weapons, at this stage of the concept, are anti-missile systems which select a particular ray from the cocktail present in an EMP, focus it, and attempt to steer it to the target.

Let us assume—although it is a big assumption for today's technology—that enough energy can be focused into the beam. To meet a full-scale onslaught by, say, 1,000 enemy ICBMs, a veritable constellation of these beam guns would be needed in space, with accompanying radars and infra-red sensors watching for the launch.

If they could be placed in geostationary orbit, static in relation to the earth's surface, two or three such systems could suffice. But the necessary distance of 40,000 km from the earth's surface—at which height one system could theoretically keep watch over half the world—would probably prove an impossible complication. On the other hand, if placed in earth orbit, up to 1,000 km high, it may need up to 150 orbiting systems to provide the kind of global umbrella which can monitor all potential launch-points on land and sea.

Even so, given the speed of an ICBM, each beam gun would have less than seven minutes to engage and destroy as many as 1,000 targets about 10 metres long at a range of 1,000 km. It would thus have to pinpoint a target every 0.4 seconds with an accuracy of one part in 100,000. In this time it would have to detect each target, distinguish it from any decoys, aim and fire the beam, observe the result, and try again if necessary, and report the results back to a command centre.

Daunting as these numbers undoubtedly must be to U.S. defence strategists, the directed-energy weapon in earth orbit is one of the new global anti-missile systems the U.S. Pentagon is studying. The technology of miniaturising accelerators using much more intense magnetic fields is already making great strides in the leading atom-smashing centres.

The power demands of such beam guns suggest that a new kind of nuclear reactor will be needed for space, capable of releasing bursts of energy equivalent to tens of tonnes of TNT in rapid succession. A new U.S. nuclear programme launched last month aims to develop the SP 100, a space reactor capable of generating 20-500 kilowatts, as a precursor for space reactors of 100 megawatts or more.

Another anti-missile beam defence being studied is a shipboard defence against cruise missiles. The problems of mounting big machines and providing enough power would obviously be eased.

To deliver enough energy to destroy such a missile, U.S. scientists are developing systems that first punch a "hole" in the air, using powerful pulses of light from lasers or an accelerator. Such a channel of hot, low-density air left in the wake of these pulses would provide an easier conduit for the cruise-destroying rays of electrons or protons by keeping them concentrated into a narrower beam.

A third use of the beam gun being studied is to defend U.S. missile silos from nuclear attack.

Such an anti-ballistic missile defence would need a longer range than the shipborne system—long enough, in fact, to run into trouble with beam-bending by the earth's magnetic field.

Such beam systems as I have described are purely defensive; designed to counter nuclear warheads, not to replace them with a new offensive weapon of mass destruction.

The U.S., so far as is known, has not begun to assemble an anti-ballistic missile system using beams. Missing factors include beam guns small, yet powerful enough to be placed in orbit, a power source, corresponding tracking and aiming systems, and command and control to knit it into an effective umbrella.

But it has been disclosed that the Pentagon is funding research into a laser beam system for use as a weapon in space. This could conceivably be ready for flight testing by 1993, at a cost of $30bn. Major-General Donald Lamberson, responsible for directed-energy weapons to the U.S. Under Secretary of Defence for Research and Engineering, told a Congressional committee last week that new Pentagon studies would define for the first time "the scope of the remaining uncertainties whether an effective weapon system can be achieved and the size of the risk involved in a greatly accelerated programme." The Pentagon has so far committed about $900m for the five years 1982-88.

The novelty of beam weapon systems—"brand new weapon forms that have never been developed and deployed before," as Major-General Lamberson called them—suggests that they will draw little upon existing weapons systems technology (although they may draw extensively upon NASA's Space Shuttle programme to test the components). That fact alone suggests that creating an umbrella of beams could be the most costly and lengthy development programme the Pentagon has ever undertaken.

HOW BEAMS WORK

Radiation is a natural process by which energy can get from place to place. Different sources of radiation produce waves of different length, which fit into a broad spectrum known as the electromagnetic spectrum. This spectrum includes the familiar rainbow of light waves of different colours, and invisible rays such as infra-red of light radio, radar and X-rays. Directed energy weapons of the kind this article discusses are weapons that generate radiation, focus it into a beam, and aim it over long distances at or near the speed of light.

Men & Matters

Simon says

Simon Keswick, soon to be chief executive of Hong Kong's Jardine Matheson, has yet to prove himself as a successor to the outgoing David Newbigging. But he is in no danger of earning a reputation for loquaciousness. "When do you expect to become chairman," asked my man on the spot, plumping as usual for the obvious question. "I think you should ask the board," smiled Keswick. "Are you not particularly well-placed to speak on behalf of the board?" my man parried. "In that case," clinched Keswick, "I have no comment."

Another hobnail-booted question to the fore. Was the Keswick family lobby powering Simon's rise? "Not aware of it," said the Keswick scion, descended from the Jardine half of the founding partnership and brother of former Jardine chairman Henry Keswick.

Local business gossip has it that the changeover was not altogether amicable. One visitor was recently welcomed into Jardine's Connaught Centre headquarters by an executive who suggested he "liked to do his entertaining in the boardroom, but the blood is still being hosed down from the walls."

My recent prediction that Newbigging would stay another 18 months or so still looks fairly well on target. He hands over the executive reins to Simon Keswick in June, while remaining as non-executive chairman. Local opinion is that the arrangement represents a handover period. "Simon is getting his feet under the table," says one observer of the scene. "And into David's shoes," adds another.

It is also suggested locally that Newbigging's continued tenure as chairman serves to maintain his standing as a member of Hong Kong's Executive Council, the Governor's senior—and secretive—advisory body. Amid the ponderings over Hong Kong's long-term political future the Governor can scarcely afford to have his advisers fluctuate in tandem with Jardine Matheson's office politics.

"And now a Party Political broadcast by the Right of the Labour Party to reassure voters."

Full sail

Peter de Savary, British-born Nassau-based entrepreneur is making the most determined effort to lift the "old mug"—as Sir Thomas Lipton called the America's Cup—since the grand days of Lipton and Sopworth.

Fairey Allday Marine has done him proud. De Savary's latest addition to his growing armoury to win back the cup is Victory 83, a 65-foot, twelve-metre class yacht.

Victory 83 was unveiled yesterday by Princess Michael of Kent, at Allday's Hamble yard. Allday's have managed to turn aluminium, a notoriously difficult material, to shape a yacht hull of smooth and subtle beauty. She has been built in only four months but designer Ian Howlett's lines have been faithfully reproduced.

Now, the performance of the 30-tonne yacht will be judged against de Savary's other three boats, Victory, Lionheart and Australia during trials at Newport, Rhode Island.

The Americans have held the America's Cup since 1851. Indeed, it is permanently screwed down in the New York Yacht Club. De Savary's professionalism could just win it back for Britain, this autumn.

Train's strain

Sir Peter Parker has clearly had his fill of politics—and shows it in the Dimbleby lecture to be televised tonight by biting the Westminster and Whitehall hands that fed him.

As incoming chairman of British Rail—which he leaves in September after seven years—Parker says his briefing for the job consisted of a Green Paper on transport policy. "This was greeted solemnly by all concerned—as befits the dead."

After lying in state while one Transport Secretary was promoted, and a second gave way quickly to a third, the policy was quietly buried. "That whole procedure took only six months, such is often the mobility of Ministers of Transport," he says.

Politics pervaded everything. "Is there any other business," Parker asks wearily, "that runs through more marginal constituencies than we do?"

Departments so often seemed diaphanous, he says, and through them "you can see the mandarin equivalent of Thug's Law, the Treasury."

Parker recalls that his predecessor had five ministers in five years. "I had five ministers within five years, with an election in between. I've loved every one of them but you can see that making the connection between political and railway timetables needs a bit of British luck—and usually it's the train that takes the strain."

On a visit to the Great Western railway in the early days of his job, he and his colleagues calculated that there had been 14 ministers of transport in 24 years.

"The chief engineer present was only the 14th chief engineer of the GWR since Brunel in 1836."

Tomorrow's car

After all the fascinating facts about Rolls-Royce that have appeared in its recent ads, the company had a bit of a problem finding more.

But, working round the clock, the marketing men have come up with some real gems for another ad in The Times today—the day, it should be remembered, before April 1.

The new "facts" include this: "In the province of M'Bnga in Lower Volta, a Rolls-Royce is worshipped as the supreme deity. It was brought to the area in 1911 by the missionary Sir Archibald Cameron, whose rudimentary knowledge of the M'Bnga dialect led to some confusion between the appellations 'Silver' and 'Holy' Ghost. Sir Archibald was eaten before he could correct the unfortunate misunderstanding."

Appealing to the humour as well as the pockets of its potential customers, R-R suggests that no fitted extras are beyond its resources.

"Did you know that extras fitted to Rolls-Royce cars have included a spiral staircase, an interior depicting the battle of Lepanto, an integral Black and Decker 'Workmate'. . . ?"

The editor of The Times, by the way, decreed that no April 1 spoofs should appear in the newspaper this year.

Immovable

Bathroom fixture—a teenage daughter.

Observer

ECONOMIC VIEWPOINT

Common sense on interest rates

By Samuel Brittan

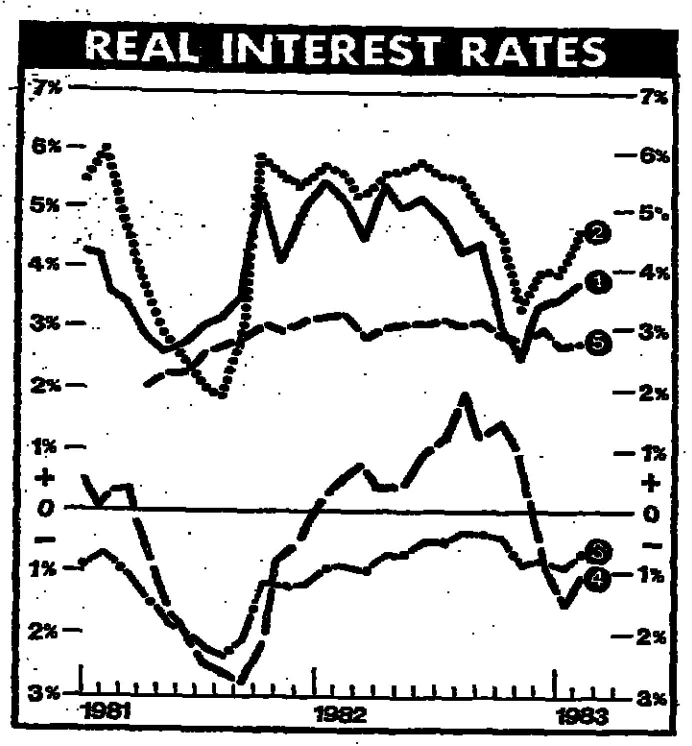
THROUGHOUT THE political spectrum and on both sides of industry, there reigns the belief that real interest rates are (a) *very high*, (b) *can be reduced* by monetary policy and (c) must never be raised except at times of severe crisis.

The last point is particularly relevant as there is a better than even chance that British interest rates will have to rise before we are all much older. The easiest way to make the case is to look simply at the risk to sterling if U.S. interest rates rise and British rates fail to follow. Mr Donald Regan's denial of "any sound reason" why short-term interest rates *should rise* merely makes one suspect that the pressures for a rise are pretty strong.

For it does seem that with the economic recovery now *taking place in the U.S.*, the period of benign neglect of the monetary aggregates by the Fed is over. The overshoot of the U.S. monetary indicators can no longer be explained, except to a small degree, by technical changes in the banking system; and the Fed will be less and less willing to gamble on last year's fall in velocity continuing. While the U.S. Administration is running a $200bn budget deficit cheap money will be difficult to achieve in the U.S. or anywhere else, whatever U.S. Treasury Secretary Regan may proclaim.

But it is helpful to broaden the case by considering the mix between monetary and fiscal policy. Some years ago when the first signs of Britain's overvalued pound appeared, I pointed out that in conditions of general confidence, a high budget deficit could actually raise the real rate of exchange. For overseas funds would be attracted to finance it; the exchange rate would rise and the balance of payments would show a current account deficit offset by a *capital inflow*: all the conditions required to intensify de-industrialisation.

The association of a large budget deficit with a strong currency seemed far-out and implausible to many people when it was first put forward. But it is now almost orthodox. One of the main themes of the last U.S. Council of Economic Advisers' Report was that the U.S. budget deficit was raising interest rates and that this was strengthening the dollar, with



1—One-year interbank deposit rate, minus the expected rate of retail price inflation over the following year.
2—The London clearing bank base rate, plus 1 per cent, minus the expected rate of inflation.
3—As line 2, but with adjustments to allow roughly for the deductibility of interest payments for corporation tax purposes and for taxation of corporate income.
4—The building society ordinary share rate, net of tax, minus the expected rate of inflation.
5—The gross real redemption yield on 2 per cent Index-Linked Treasury Stock 1996.

adverse effects both on U.S. commercial relations, especially with Japan, and on the hard-pressed steel, auto and machinery manufacturers, struggling with foreign competition. The CEA advocated a reduced budget deficit, which would enable interest rates to be lower without letting up on the counter-inflationary struggle and which would also lead to a lower dollar. "Under fixed exchange rates, budget deficits crowded out domestic investment. With a floating exchange rate they crowd out exports and import-competing products as well."

These arguments apply when a currency is too high for comfort. Sterling on the other hand has fallen more than enough for the time being and is too low, rather than too high, despite yesterday's partial recovery.

The March Bank of England *Quarterly explains that the* earlier decline in sterling in 1981 had an abnormally low inflationary impact because import profit margins, which had been very high, contracted sharply. But the Bank is less sure that this experience can be repeated. "Sterling has fallen by more against the main continental currencies than against the dollar since last autumn, and a stronger UK domestic market may encourage foreign suppliers to resist further compression of their profit margins."

If, then, it is desirable to put a brake on the fall of sterling the opposite change in the policy mix is required to that recommended for the U.S. That is, a somewhat larger budget deficit than planned may be accepted *provided that it is* combined with higher interest rates.

The Chancellor has hinted that he would take no action against a modest budgetary overshoot, and his instinct there is right. But it has to be balanced by a readiness, and a readiness on the part of his neighbour at No. 10 Downing Street, to see interest rates rise if necessary. Otherwise inflationary risks may be run.

What of the argument that, as the monetary aggregates are *within the Government's target* ranges, no interest rate tightening is appropriate? The quality of the information conveyed by the aggregates is not beyond *suspicion. Both the disparity* between the credit and the monetary figures and the use of "overfunding" *as* an instrument of control raise at least a few questions. Even if the monetary numbers were perfect, they would still need to be *considered together with the* exchange rate. Just as a higher than expected exchange rate is an argument for monetary relaxation, a lower than expected exchange rate is an argument for some tightening.

The belief that real interest rates are very high is too deeply embedded to be easily shaken. *The Bank of England Bulletin* has nevertheless been conducting a quiet campaign to show that for many borrowers the effective real interest rate is *low or negative. In the accompanying* chart taken from the Bulletin, several alternative measures of real interest rates are shown.

The only measures which show reasonably high real interest rates are those which relate overdraft or interbank rates to the expected rate of inflation (the latter is derived from 12-month forecasts by non-government forecasters).

The line which is consistently negative is based on the real overdraft rate, but is adjusted to take into account the impact *of corporate taxation*, including the deductibility of interest payments for corporation tax purposes. At no time since 1979 have real interest rates been positive for the representative corporate borrower subject at the margin to corporation tax.

The expected inflation rate used for these Bank of England corrections is derived from *short-term forecasts. For the* longer term the market's view of expected inflation can be estimated by comparing the yield on indexed gilts with that on comparable conventional stock. The Bank of England's calculations are reproduced in the table. But I suspect that the relevant marginal holder is the non-tax paying gross fund and that the high *coupon stocks* are least distorted by the non-taxation of gilt-edged capital gains. Moreover, I should have preferred long-dated stock to that expiring in 1987-88. The expected longer-term inflation rate is probably in the 6 to 8 per cent range.

* * *

There is another matter on which the Bank of England Bulletin throws interesting light, namely what has happened to real personal disposable incomes, a subject on which there has been some confusion. On the one hand, we have heard that pay has continued to rise faster than prices, for those people who have jobs, thus contributing to *unemployment* among the rest. On the other hand, there have been reports of personal living standards falling since the Conservatives came to office.

The main reason for the discrepancy is that because of the fall in the number of jobs *total* income from employment has fallen (measured in 1975 prices) from nearly £85bn in 1980 to just over £82bn in 1982. *Receipts from social security* have risen from nearly £13¼bn to over £15¼bn, not enough to make up for the shortfall in employment. There has also been some increase in the tax-take and some fall in income from *self-employment*, the latter probably exaggerated because of statistical under-recording. *The decline in total real personal* disposable income has in turn had important implications for the savings ratio.

When total real disposable income *falls, a smaller proportion* of it is likely to be saved in the short term; and according to the Bank of England this effect accounts for a further 2 percentage points of the total fall in the personal savings ratio which dropped from a peak of 16½ per cent in 1980 and an average of perhaps 12½ per cent to a low of 9 or 10 per cent in *the last quarter of 1982.*

These changes in the savings ratio have much greater effects on consumer damend than any Budget; and what happens to it *is crucial* for the economic outlook. The Bank says nothing on the future, but the Treasury in the Red Book assumes a modest recovery in the savings ratio, *say to 10 or 11 per cent*, still much below the recent average.

In the absence of any genuine ability to predict the course of savings, *automatic adjustment* mechanisms are vital. The most important of these mechanisms is the interest rate, which affects not only domestic saving and investment but capital inflows from overseas. This makes it all the more important for the interest rate to be left to move in whatever direction is required by monetary policy—whether that policy has a money supply or exchange rate *guideline, or some mixture of* the two. What we cannot afford is a political view of what interest rates "ought" to be.

IMPLICIT INFLATIONARY EXPECTATIONS*

(per cent)

	Tax Rate	1982 Mid-Aug	1982 Mid-Nov	1983 Mid-Feb
Low coupon	0	4¾	5	4¾
	30	4¼	4¼	4¼
	60	4¼	3¾	4
High coupon	0	8	7½	8¼
	30	5¼	4	5
	60	2½	1½	2

**Obtained by comparing the net yield on 2 per cent Index-Linked Treasury Stock 1988 with the redemption yield on 3 per cent British Transport Stock 1978-88 ("low coupon") and 12 per cent Treasury Stock 1987 ("high coupon") for holders paying zero, 30 per cent and 60 per cent tax.*

Lombard

A policy for refugees

By David Buchan

UK immigration policy once *again smacks of arbitray inconsistency.* This week the Home Office defended its recent deportation of a Romanian illegal immigrant back to almost certain imprisonment in Romania, and at the same time allowed some 30 Poles who jumped ship at Tilbury to stay for a year while their pleas for asylum are considered.

The case of Mr Stancu Papusoiu, the Romanian bundled back to Bucharest after *eight months detention here, is* tragic. He had already served frequent spells in Romanian jails for trying to leave that country without permission. He is now said to be in hospital recovering, according to the official Romanian press, from *beatings by British warders*—which the Home Office totally denies. But jail is likely to be his final destination again.

The Romanian authorities have given Britain no thanks for his return. Rather, they claim cynically that, had Mr *Papusoiu had much education* or skills (he did not), Britain would have kept him. They have indicated they see the British action as confirmation that western countries operate their immigration policies in favour of the educated and skilled, and thus as justification for Romania's new tax on educated emigrants.

This is perverse nonsense, but highly embarrassing for *Britain, which recently joined* its allies in condemning the Romanian emigration tax. The Foreign Office was notified, routinely, of Mr Papusoiu's arrival on British soil last year, but was not consulted on his deportation, purely a Home Office decision. The British embassy in Bucharest learnt about the deportation on the BBC, after it had taken place.

As for the Tilbury Poles, *they have been given leave to* stay because the Home Office decided, very reasonably, they could not have known while their ship was on the high seas *of a March 9* change in UK policy. On that day, Mr William Whitelaw, the Home Secretary, announced that, while Poles caught in Britain at the time of martial law have been allowed to stay on 12-month visas, henceforth Poles arriving in the UK would be expected to return "in the normal way."

But the contrast between *these two cases shows how British* immigration practices correlate, to put it crudely, with cycles in political fashion.

Generally, East European refugees have had a better deal, than most from Britain since the Second World War. Curiously, this has changed under the staunchly anti-communist Thatcher Government. *In 1979 37 per cent of people* from the Soviet Union, Czechoslovakia, Poland, Romania and Hungary *applying for refugee* status or asylum got it. By last year this proportion sank to 11 per cent, while the ratio of successful applications from all refugees, rose to 56 per cent.

The Home Office uses as its yardstick the United Nations *definition of a bona fide* refugee: someone who has "a well-founded fear of persecution on grounds of race, religion, nationality, membership of a *particular social group or a* particular political opinion." This is designed to weed out those who simply come here in search of a higher standard of living.

This distinction between "political" refugees (whom Britain should take in) and "economic" refugees (whom it *has no reason to) is useful*, even essential. But it is badly blurred, in the case of East European refugees by the policies of governments there.

They discourage legal emigration by firing those who apply to leave from their jobs or by setting prohibitive taxes. They make illegal emigration a felony. Most to the point, they are very hard on those returned to them. The Home Office says it is aware of this, deplores it, but cannot admit people simply *because they would be prosecuted* if they returned. True enough, though it is a moot point where a well-founded fear of prosecution becomes a well-*founded fear of persecution.*

Britain, with its allies, has put the focus of the Helsinki accords review conference on human rights, including condemnation of Eastern Europe's emigration policies. But at the same time it must make sure British immigration policy is above reproach. That means a policy that is consistent, coherent and humane.

Letters to the Editor

Rise or fall of real incomes

From Mr C. G. Trinder

Sir,—The assertion that real wages have fallen sharply since 1979 is widely believed. It all depends however on which figures one considers. The evidence cited in the Financial Times (March 23), was for the commonly used example of a full-time male manual worker and the increase in gross pay 1981-82/1979-80 for this type of worker was estimated from Department of Employment earnings surveys as 27 per cent. An alternative source of wage data is the National Accounts. Using the evidence from this source it can be estimated that gross earnings per head of all employees (manual and non-manual, men and women) were on average 32 per cent higher in 1981-82 than in 1979-80.

Real net earnings are calculated by allowing for deduction of income-tax and national insurance contributions and for the rise in prices, but these figures too can be derived from more than one source and based on a variety of different assumptions. The married male manual worker with a 27 per cent increase in gross earnings and with two children (assumed to have no income-tax *allowances* or reliefs other than the personal allowances) experienced a fall in real net earnings of 5½ per cent 1981-82/1979-80. The full National Accounts data *is* only available for calendar years and the latest information is for 1981. It shows the total amount of income-tax and insurance *contributions* actually levied on wages and salaries. It can be estimated using this source that after allowing for deductions from gross pay and *the rise in prices*, real net earnings in the economy as a whole were on average 1 per cent higher in 1981 than in 1979.

C. G. Trinder.
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Smith Square, SW1.

Medical pie in the sky

From Mr J. Neil Shaw

Sir,—On Page 9 of your issue March 23 Ivo Dawnay, of your Labour Staff, commented on the discounted insurance rates which are currently being negotiated by the Government with three leading Medical Insurance Provident funds.

Apparently Mr Peter Jones, Secretary of the Council of Civil Service Unions, states that the negotiating and offering of a *heavily discounted* medical insurance scheme to the entire Civil Service "is an insult to civil servants, most of whom would be unable to afford subscriptions."

As a long term individual subscriber to various medical benefit schemes, *I consider* that the offering of highly discounted schemes to any group of persons is an even greater insult to those persons who joined such schemes many years ago and who have seen their individual subscriptions in some cases *more than doubled* in the space of a 12 month to levels which are now so high that by the time retirement age is reached—the time when such schemes are more likely to be needed—these long term subscribers are virtually "frozen-out" of the protection for which they have subscribed so heavily.

I understand that the general *running costs of one medical* insurance fund absorb 10 per cent of the total subscriptions and that 85 per cent of the subscriptions are consumed in claims settlement (with 5 per cent being placed to reserve). *On such figures* how can the heavy discounts known to be on offer be justified—unless the relentless increases in *charges* to long standing individual subscribers are INTENDED to induce those persons approaching the twilight of their lives to "*get lost.*"

In the writer's opinion it is time that all subscribers to these medical schemes, whether "individual" or "group," read the rating tables very carefully (if such have been supplied) and note the effect on their individual pockets *once* retirement age is reached.

J. Neil Shaw.
Dormer Cottage,
41, Ivy Lane,
Macclesfield, Cheshire.

In favour of peace

From Evelyn Ratcliff

Sir, — Your correspondent Major General Rowley Mans (March 22) dismisses as "absurd" an implication that the British Government is not in favour of peace.

Ministers in the Government *repeatedly* tell us that they support multilateral as against unilateral disarmament. Bearing this in mind the *ordinary* citizen is surely entitled to ask why, at the current session of the United Nations, Britain voted against the demand for a freeze on nuclear weapons, proposed by Mexico and Sweden. In another *resolution called by* Mexico for a treaty banning all nuclear test explosions 124 states voted for that resolution, 19 abstained and two voted *against*—the U.S. and Britain.

Evelyn Ratcliff.
6 Rectory Cottages,
West Street, Storrington,
West Sussex.

Courts' attitude to creditors

From Mr R. Wright

Sir, — Justinian's article in your edition of *March 21 might* give the impression that there has been a radical change in the attitude of the courts to creditors endeavouring to obtain speedy judgments on debts where there is no defence. That may be the case in relation to large debts where the decision of the Court of Appeal in European *Asian Bank v Punjab Sind* Bank will be of considerable assistance to creditors.

However, the vast majority of debts which are sued for *involve sums of under £500*, and it is here that the courts are manifestly failing to do justice to creditors. I need only mention two points, namely (i) it is not possible to issue Order 14 proceedings or proceedings for Summary Judgment in the County Court for sums *involving* less than £500, and (ii) no interest accrues to a Judgment creditor on a County Court Judgment.

I have remonstrated with the Lord Chancellor's Department on both these points. Their answer in relation to the first is that if creditors were able to apply for Summary Judgment on small debts, they might well abuse this right. It is difficult *to see* how creditors could do this since such applications would be heard by the County Court Registrar who one would have thought was more than capable of ensuring that no abuse took place. The answer on the second point is that the courts are incapable of handling the necessary administration. In fact, although the Supreme Court Act 1981 made provision for interest to be awarded on County Court Judgments where the amount of the judgment was £2,000 or more, that provision is not as yet in effect. This defect is one of the *reasons* why, *although the* County Court jurisdiction is now £5,000, creditors will sue in the High Court for sums over £600. On a High Court Judgment *interest will* be obtained.

In short, the position of *creditors* for small amounts is unsatisfactory. It is still a debtors' world, at any rate where the amount involved in under £500.

R. Wright.
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23-28, Fleet Street, EC4.

Cheapest way to decentralise

From Mr L. Paul Davison

Sir,—I note in Ray Maughan's property feature (March 25) that he refers to considerable savings in decentralisation quoting an approximate figure of £50 per sq ft in the City (inclusive) to "as much as £20 less outside London." He balances that fact against "the hassle" of relocation of existing staff and recruiting and training new staff, to replace those who will not move.

However, there is of course "local decentralisation," and in moving from the City, 4 miles down the road to Stratford—East London's Commercial Centre—the inclusive rate is less than £10 per sq ft and there is a great deal of modern and refurbished office *accommodation* in the area.

What is more, with the excellent commuter facilities available *there* is every likelihood that almost all the staff will remain with the company alleviating relocation and retraining costs.

It is also a fact that the Greater London Development Plan has designated Stratford as a preferred office location and strategic centre and has introduced excellent facilities in the area to support this plan.

L. Paul Davison.
11, Old Burlington Street,
W1.

Lingering on at TV-am

From Virginia Matthews.

Sir,—It looks like the ghost of Peter Jay lingers on at TV-am . . . Raymond Snoddy (March 25). Having said confidently that Jonathan Aitken wasted no time in stripping the chief's office of Jay memorabilia, a glance at the accompanying picture shows only too clearly that Jay remains, at least in spirit. Or has Aitken kept the "Peter Jay-Our Man in America" poster just to show there are no hard feelings? I think we should be told.

Virginia Matthews.
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Chiswick, W4.

FINANCIAL TIMES

Thursday March 31 1983

James Buxton interviews the chairman of Milan's Nuovo Banco Ambrosiano

Unravelling Calvi's tangled legacy

"WE ARE not worried by these lawsuits. We consider them quite groundless and we will contest them. But they disturb us because they hurt the image of the new bank and affect the morale of the staff that is trying to build it up."

Sig Giovanni Bazoli, chairman of Nuovo Banco Ambrosiano, looks remarkably calm for the head of a bank which in the next few days is likely to have received writs from about 80 foreign banks at the bank's headquarters just behind La Scala in Milan, but Sig Bazoli reacts more with sorrow than with anger.

Nuovo Banco Ambrosiano was formed last August immediately after Banco Ambrosiano, run by the late Sig Roberto Calvi, was declared *bankrupt and put into liquidation.* The aim was to keep in being the Italian bank with its strong base in Northern Italy, pay off the justified obligations of the old bank, leave the liquidators of the old bank to unravel the mysteries of Sig Calvi's activities and start afresh.

The arrival of the first writs is another depressing reminder for Sig Bazoli that Nuovo Banco Ambrosiano cannot easily evade the legacy of Sig Calvi. The writs are being issued on behalf of banks which lent money to Banco Ambrosiano Holding (BAH), the Luxembourg-registered subsidiary of the Milan Bank.

Whereas Nuovo Banco Ambrosiano swiftly paid back all the Eurodollar loans which Banco Ambrosiano had directly contracted, neither it nor the liquidators of the old bank would take responsibility for the debts of the Luxembourg holding. Both the Bank of Italy and the Italian Treasury maintained that BAH was an independent entity outside Italian juridical control.

The creditor banks, however, argue that BAH was simply an instrument operated by Sig Calvi and Banco Ambrosiano in Milan and that the lending banks were told at the time that they were making loans to the Ambrosiano group as a whole, even though the loans were technically booked through BAH.

"The liquidators of the old bank are not liable," says Sig Bazoli.

"And we are not liable for these debts of the old bank either. The clause in the Italian banking law which the foreign banks have cited against us (clause 54 of the 1936 Act) does not apply in this case," he says.

"It's only a part of the world *banking community that's against* us," says Sig Bazoli of the 88 banks. "We have 1500 correspondent banks all over the world and good relations with them."

For Sig Bazoli the writs are just one more of the "exceptional problems" the new bank has to confront. When the old Banco Ambrosiano was liquidated, a pool of seven banks, led by Banca Popolare di Milano, but including such banks as Banca Nazionale del Lavoro and Instituto Bancario San Paolo di Torino, bought the goodwill of the old bank for L350bn ($241m) and set up the new bank. What made the deal attractive was that with it they acquired La Centrale, the finance company which owns two prosperous banks, Banca Cattolica del Veneto and Credito Varesino, the Toro Insurance Company (whose sale was agreed last week) and, less promising, a 40 per cent stake in the heavily loss-making Rizzoli publishing group.

Sig Bazoli, who is a lawyer and university professor by profession, came in as chairman at almost no notice: he was deputy chairman of another bank in the pool, San Paolo di Brescia, his face shows his obvious weariness.

Among the problems the bank faced was that deposits had crashed from L3,600bn in Sig Cavli's heyday to L1,800bn, while the unions would not allow the new bank to sack any of the 4,200 staff, many of them badly deployed in the relatively unautomated bank.

Nuovo Banco Ambrosiano has campaigned hard to obtain deposits, offering more than the going rate for funds. "We have been criticised but if any bank is going to be allowed to do this it should be us," says Sig *Bazoli. "Now* we are moderating our rates a bit." Deposits are now at L2,600bn and should reach L2,900bn when the first financial accounting period *for the new* bank *ends on June 30. Loans* stand at about L2,700bn.

"The confidence of our old customers has returned. Of course not all have stayed with us, but then we have won some new ones. There is a lot of enthusiasm among the staff here."

The new bank is to be allowed to establish nine new branches, in exchange for closing down a similar number in less profitable locations. The Bank of Italy, which exercises iron control on bank branches, has given its permission, partly because it had been unduly restrictive in this respect with the old bank. "This development will absorb staff and give us a broader national presence," says the chairman. There will be other measures to shed staff through natural wastage and transfers to other banks.

Sig Giovanni Bazoli: 'lot of enthusiasm'

But despite this, Nuovo Banco Ambrosiano expects to lose between L25bn and L30bn in the period to June 30. This is without covering the L350bn paid for the goodwill of the old bank. "We could write it off over anything from five to 20 years. What we'll probably do is to write it off in increasing annual amounts over ten years," says Sig Bazoli.

"We hope that in the period to December 1984 there will be a reversal of the loss-making tendency," he says. This is important: in May 1985 shareholders who had a stake in the old bank will be entitled to convert into shares the warrants which they are to be given as *ex gratia* compensation for the loss they suffered when Banco Ambrosiano went bust, and will want to know how the new bank is going.

The offer to the 40,000 shareholders, announced last week, is carefully designed to exclude all those who where involved in the running and hidden ownership of the old bank, and involves raising the nominal capital of Nuovo Banco Ambrosiano from L600bn to L750bn. "It's a sign of continuity by the bank. After this the old shareholders will not have anything to say to the new bank. But people who have lost a lot will not be content with a little, though this is a problem for the liquidators of the old bank."

Italian critics argue that the growth of the new bank will be *stunted because it will always be in* direct competition for customers with its seven shareholder banks, especially when it expands, as it *plans to, into financial* services such as leasing. But Sig Bazoli says: "If the shareholders didn't intend to let us grow they wouldn't have come in the first place. Undoubtedly the new bank can find itself in conflict with *orders, but* we want complementarity, not competition."

Even if the issue of the writs is solved, as Sig Bazoli hopes it will be, there remains the problem of *the bank's name – closely* associated with that of Sig Calvi even though it was founded in 1896.

The new bank decided to keep the old name to show it had nothing to hide. "We kept courageously the old name – perhaps our courage was excessive," says Sig Bazoli. "At the moment there is no question of changing it. But maybe we have some doubts about it now."

WRIT CLAIMS LUXEMBOURG ENTITY WAS 'MERE INSTRUMENT' OF PARENT

The Rome lawyers acting on behalf of the 80-odd bank creditors of the Luxembourg-based Banco Ambrosiano Holding (BAH) expect to have issued a total of five or six writs against Nuovo Banco Ambrosiano by the end of this week James Buxton writes. Two were issued earlier this week, the first on behalf of a consortium of 15 banks led by Midland Bank France, Paris-based subsidiary of Britain's Midland Bank, and the second on behalf of a consortium led by National Westminster, also of the UK.

The Midland Bank writ concerns a syndicated loan for $40m agreed in August 1980. The writ relates how the Midland representatives negotiated directly with executives of Banco Ambrosiano in Milan for the loan which would have been either to the parent bank or to a member of the Ambrosiano group. In the end it was decided that the loan should be to BAH, which was 70 per cent owned by and directly controlled by Banco Ambrosiano SpA. BAH was a "mere instrument" of Banco Ambrosiano SpA, the writ states.

The writ states that BAH-controlled two subsidiaries, in Managua and Lima, whose main role was to make loans to companies registered in Panama and Liechtenstein which were the property of the Vatican Bank Istitute per le Opere de Religione (IOR). The credits amounted to more than $15bn, and were moved at the orders of staff based in Milan.

"The telexes with which tens of millions of dollars were accredited to phantom companies were simply signed 'Giacomo,' 'Licia,' or 'Angelica,'" the writ states. "'Giacomo,' is Giacomo Botta, (then) manager of Banco Ambrosiano SpA and head of its foreign department. 'Licia' and 'Angelica' are his (then) secretaries. From Milan they commuted to Monaco where, on a direct telex to Banco Ambrosiano overseas in Nassau, they sent the instructions which emptied the coffers of BAH in favour of the phantom companies of the IOR."

The 47-page writ, drafted by the firm of Grazidei, calls Nuovo Banco Ambrosiano SpA to a hearing on June 15 at the Milan Court an alleges that the new bank is in breach of Article 54 of the 1936 Italian banking law which, the lawyers say, obliges the successor bank to take responsibility for the debts of its predecessor.

Standard Chartered in £101m cash call

By Alan Friedman, in London

STANDARD Chartered Bank, the British-based international bank, yesterday launched a one-for-five rights issue designed to raise £101m (147m). The net proceeds, £97.5m, will be used to strengthen the bank's capital base and to continue developing its international business.

The rights issue, which offers 25.9m new shares at 390p per share, took the London stockmarket by surprise. The bank's share price fell 24p on the day, closing last night at 456p. The shares of the Big Four UK clearers also declined yesterday, by an average of around 10p.

Standard Chartered said yesterday it wished to develop new lending opportunities during the world economic recovery. The bank denied that it was planing any major UK acquisition.

Some of the proceeds will be used to develop the business of MAIBL, the consortium bank which was recently taken over by Standard Chartered and is to become the group's main merchant banking arm.

City of London analysts suggested however, that the rights issue proceeds would help the bank to improve its free equity ratio (the ratio of shareholders' funds against deposits), which at 2.4 per cent before the rights issue had been viewed as somewhat lower than other banks. The figure will now be about 2.8 per cent.

Delors shows flexibility on travel as protesters march

BY DAVID HOUSEGO IN PARIS

THOUGH the organisers proclaimed it a success beyond their hopes, the silent march of the French travel industry yesterday to "defend the freedom to travel" ended up in a noisy, inconclusive demonstration in front of the Ministry of Finance in Paris.

Police said about 3,000 took part in the march, which began shortly before lunch from the Opéra. There was some confusion at the outset after M Jacques Maillot, head of the Nouvelle Frontiere travel agency, which had spearheaded the weekend revolt against the measures restricting foreign travel allowances, called it off to permit negotiations with the Ministry of Finance.

The National Union of Travel Agents denounced his intervention and the marchers stepped out with posters proclaiming that "tourism equalled liberty." Scuffles with police broke out beneath the windows of M Jacques Delors, the Minister of Finance, after the demonstrators had been asked to disperse.

If some of the steam was taken out of the demonstration, it was because the government has somewhat softened its stance although it is standing firm on the substance of the measures.

Though individual credit cards have been cancelled for Frenchmen travelling abroad, businessmen will be able to make use of company credit cards. The Government is also showing some flexibility towards those who have already booked package tours whose foreign exchange cost exceeds the FFr 2000 ($275) limit and towards students on language courses abroad.

Speaking on radio, M Delors denounced the outcry against restrictions which hit a relatively small number as damaging France's image abroad.

Some officials argue that the outcry has helped the Government by attracting public attention from the severity of the other measures.

M Delors also said yesterday that inflation in France this year was likely to be between 8 and 9 per cent – higher than the Government's original target was 8 per cent – because of the inflationary implications of some of the measures. The Government is taking new measures to curb the excess markups in price charges by butchers, bakers, fishmongers, hairdressers and hotel owners in the first two months of the year, contrary to the anti-inflation agreements they signed.

Bonn-Paris axis, Page 2

Reagan unveils new arms plan

Continued from Page 1

sented a significant step designed to move the negotiations towards the conclusion of an equal, fair and verifiable arms control agreement, it said.

The Group reaffirmed its support for the zero option as the "optimal solution," and hoped that it could still be achieved. It expressed the "firm view" that it was now incumbent on the Soviet Union "to respond constructively."

The offer was particularly welcomed in Bonn, which has been anxious that continued Western insistence on the zero option might ruin prospects for an agreement. Chancellor Helmut Kohl said yesterday the proposal showed Nato's "continuous and intensive effort to reach a concrete and balanced result" at the Geneva talks.

Britain, clearly delighted by the degree of consultation between Washington and its European allies, warmly welcomed the initiative and urged the Soviet Union to consider the offer with the utmost seriousness and to respond positively.

M Claude Cheysson, French Foreign Minister, said France and other Nato allies could contribute to U.S. – Soviet arms limitation talks "by expressing as often and as clearly as possible our support to the Americans."

Nevertheless, in spite of the *warm reaction by European governments* there will inevitably be scepticism over whether the proposal will be enough to persuade Moscow to move before the weapons start being deployed in December.

Soviet officials have already reacted dismissively to Mr Reagan's plan, officially put forward in Geneva on Tuesday

Fail-safe gas supply urged for W. Europe

Continued from Page 1

The agency is also forecasting that the Soviet Union and Algeria will supply 35 per cent of Western European gas needs, excluding the UK.

The IEA says only the Netherlands and Norway could increase their current production to meet the rising demand for gas. For this reason, the IEA is recommending that its member countries negotiate fail-safe gas supply agreements with the Netherlands and urges Norway to speed up development of its gas fields.

The security of gas supply issue is central to the Soviet trade question which continues to divide the U.S. and its allies. Although the U.S. has abandoned any hope of preventing the first section of the controversial Siberian pipeline going on stream next year, it is seeking to block the eventual construction of a second and third section, while at the same time adopting a hard line against energy technology exports to the Soviet bloc.

U.S. officials have indicated that the U.S. would treat with great concern any situation where a Western country depended for more than 30 per cent of its gas needs from the Soviet Union. According to U.S. studies, a Soviet pipeline with one strand would supply between 20-30 per cent *of Western European gas* needs, while a pipeline with three strands would increase European dependency on Soviet gas to about 40 per cent.

But international oil industry sources in Paris said the so-called "30 per cent supply safety limit" did not fully reflect the situation in Western Europe. According to one *source, the problem must also be* seen in the context of gas users and their capacity to switch fuels in an emergency.

In Europe, the problem is that residential and commercial gas users account for up to 60 per cent of gas demand in some countries. This makes them far more vulnerable to a supply cut-off, especially in winter.

In their reports for the summit, the OECD and the IEA will again warn of new dangerous energy *problems arising at the end of this* decade, should industrialised countries decide not to strengthen their current energy policies.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	14	57	Dubrovnik	S	20	68	Malaga	S	20	68	Salzburg	S	9	48
Akrotiri	S	21	70	Faro	S	18	64	Malta	C	16	61	Seoul	F	19	66
Algiers	C	14	57	Florence	C	15	59	Manila	S	36	97	Singapore	S	34	93
Amsterdam	C	8	46	Frankfurt	C	6	43	Miami	C	23	73	Stockholm	C	2	36
Athens	S	17	63	Funchal	C	15	59	Milan	F	13	55	Strasbourg	C	8	46
Bahrain	S	25	77	Geneva	C	9	48	Moscow	S	13	55	Sydney	S	31	88
Bangkok	S	34	93	Gibraltar	S	17	63	Munich	F	9	48	Taipei	R	22	72
Barcelona	S	14	57	Guernsey	C	9	48	Nairobi	–	–	–	Tangier	S	18	64
Beirut	F	18	64	Helsinki	C	1	34	Naples	F	17	63	Tehran	–	–	–
Belgrade	F	22	72	H. Kong	C	19	66	New Delhi	S	29	84	Tel Aviv	S	23	73
Berlin	R	7	45	Innsbruck	S	9	48	New York	F	9	48	Tenerife	C	19	66
Biarritz	C	10	50	Inverness	C	6	43	Nice	Fg	15	59	Tokyo	C	12	54
Blackpool	Sn	4	39	Istanbul	S	17	63	Oporto	F	16	61	Toronto	F	0	32
Bordeaux	C	16	58	Jersey	C	9	48	Oslo	Sn	2	36	Tunis	C	15	59
Brussels	F	8	46	Jo'burg	S	29	84	Paris	C	11	52	Valencia	S	17	63
Budapest	S	12	54	Las Palmas	C	18	64	Prague	F	10	50	Venice	F	13	55
B. Aires	S	23	73	Lima	S	29	84	Reykjavik	C	2	36	Vienna	S	9	48
Cairo	S	25	77	Lisbon	S	17	63	Rio de J'o	S	32	90	Warsaw	S	7	45
Cape Town	–	–	–	Locarno	F	10	50	Rome	F	17	63	Zurich	C	8	46
Caracas	S	29	84	London	C	9	48								
Casablanca	F	17	63	Los Angeles	F	19	66								
Copenhagen	R	3	37	Luxembourg	C	4	39								
Corfu	S	21	70	Madrid	S	12	54								
Dublin	F	7	45	Majorca	F	15	59								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

North Sea oil prices

Continued from Page 1

BNOC has asked its customers to confirm these price levels by April 8. Industry executives will then face the task of settling accounts outstanding *for up to two months.*

It was being stressed in Whitehall that Nigeria had no reason to match the proposed price cuts. The UK Energy Department said that *rather than leading prices down* BNOC and other North Sea interests were "leading the cause of stability."

Further evidence of pricing *stability came yesterday from the* crude oil futures markets which began trading in New York and Chicago.

In early trading on the New York Mercantile Exchange West Texas Intermediate oil – similar to Brent crude – was being sold at $29 to $29.25 a barrel for June deliveries.

July deliveries of South Louisiana crude, also of high quality, were being traded between $29.25 and $29.50 on the Chicago Board of Trade Exchange. In the London spot market Brent crude was being sold for about $28.35 a barrel, slightly up on the past few days' trading.

Independent producers may however challenge BNOC's plans to backdate the price cuts to February 1.

THE LEX COLUMN

Banking rights at Chartered

The big UK banks share with their counterparts across the Atlantic a common need for fresh equity and a stock market valuation which makes new cash hideously difficult to secure. Apart from the substantial discount to net assets on which the shares trade, open-handed distribution policies have made new equity very expensive to service. As *an illustration of the squeeze,* Standard Chartered's £97.5m rights issue will do little more than pay two years' dividends on the expanded share base.

Even so, the deterioration of Chartered's equity to deposits ratio was dictating a call on shareholders sooner or later. As a bank with heavy overseas exposure, its problems have been aggravated by the inflation of foreign denominated liabilities caused by the fall in sterling: on a rough – and probably generous – estimate, the rights issue may bring the free equity ratio up from about 2.4 per cent to 2.8 per cent, where it should be broadly in line with the average for the clearing banks.

Chartered is now eager to gear up for an expansion of world trade this year. Even in the depressed conditions of 1982, the bank generated underlying volume lending growth of around 14 per cent excluding currency effects. If liabilities in turn grow even at this rate, it would probably need retentions of well over £110m to maintain the improved equity ratio – a tall order given last year's figure of £78m, its high tax charge and, not least, the increased dividend cost.

Hepworth/Steetley

Hepworth Ceramic's bid for Steetley looks a classic piece of opportunism. A fortnight ago Steetley announced a 46 per cent fall in pretax profits for 1982 and a one third cut in its dividend which knocked the shares down 30p to 155p the same day. They were still around this level yesterday when *Hepworth jumped in with an all-paper* offer valuing Steetley's shares at 187p each.

This price implies an exit p/e of about 18 based on prospective fully taxed earnings for 1983. But even after the anticipated improvement this year there should be plenty of room for further cyclical recovery. The bid represents a 23 per cent discount to Steetley's net asset value in its 1981 balance sheet, one of about 50 per cent and on a current cost basis.

Hepworth has made no secret of its intention to follow up a successful *take-over with* some rationalisation of the present overcapacity in the refractory operations of the two groups. This ambition will no doubt be closely examined by the Office of *Fair Trading,* as Hepworth has tacitly acknowledged with bountiful references to the other aspects of the two groups which are complementary rather than competitive. Steetley's defence can be expected to emphasise how little the two companies have to offer each other, especially after Steetley's success in building up its construction materials activities.

Hong Kong

Presumably on the grounds that there is safety in numbers, everyone who is anyone in Hong Kong chose yesterday to report on results for 1982, a true *annus terribilis.* Collectively, they showed a more cautious and realistic approach to the local property market than had been apparent at the interim stage.

Cheung Kong, which has read the market as well as any company over the post three years, charged above the line provisions of HK$637m but this was nothing compared with the sanitisation at Hongkong Land, which appears to *have written off its whole* investment in the Miramar and Redhill joint ventures within a HK$1.9bn group provision.

Yesterday's dividend cut, taken together with the recent disposal of the Hong Kong Telephone stake, suggest that Land is becoming more preoccupied with cash conservation. Net debt represented around 75 per cent of optimistically valued net assets at the year-end and, without corrective action, the ratio looked set to carry on rising. Moreover before long, Land may need to stump up cash for fresh equity in Jardine Matheson, which is now very highly geared and rapidly losing its top executive management.

Bowater

A decade of poor housekeeping has caught up with Bowater. The group has spent consistently beyond its means and, despite two rights issues in the mid-seventies, its balance sheet has continued to deteriorate. At the end of last year, shareholders' funds of £440m were *supporting net debt of £297m.*

The 1982 figures, showing a one-third decline in pre-tax profits to £72.5m, were almost sufficient justification in themselves for the halved final dividend. On top of that, Bowater is experiencing a weak start to the current year, thanks to the fall in North American newsprint prices, while the cash outflow is likely to continue for several years more. Capital spending is being maintained at around £120m per year and the scope for working capital reduc*tions is increasingly limited.*

Maintained profits are the very best that can be hoped for this year but, thereafter, the leaner Bowater can look forward to a geared earnings recovery. The risk being run with the dividend cut is that the shorter term difficulties will invite an opportunist bid, but yesterday the shares responded with only a 9p drop to 163p, where they yield 6.9 per cent.

UK Finance Bill

No sooner is a British Finance Bill released that it is out of date; a third major re-write of the tax havens legislation has already been promised. But the wrath of the multinationals now seems to be turning to the provisions on ACT and double tax relief, which the detailed legislation confirms to be worth absolutely nothing to a properly run company. This stinginess seems all the odder, since the Chancellor introduced the measure as a major concession offsetting the pain of the tax havens legislation.

The new legislation means that companies will emerge with surplus ACT, which can be carried forward, rather than double tax relief, which cannot. But since all properly advised companies have habitually effected this transformation by surrendering ACT to a separate subsidiary, relief is directed only towards simplifying administrative arrangements. The Government is now likely to come under strong pressure to amend the clause to allow a genuine offset of ACT against foreign taxations.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday March 31 1983

LARGEST WEST GERMAN COMMERCIAL BANK GIVES PROFIT WARNING

Deutsche Bank trebles provisions

BY STEWART FLEMING IN FRANKFURT

DEUTSCHE BANK, West Germany's largest commercial bank with assets of DM 199bn ($81.9bn), has issued a clear warning that the boom in operating profits in the West German banking industry during the past 18 months is probably over.

The bank disclosed that for the second consecutive year operating income for 1982 surged to new peaks. However, it warned that it was unlikely to produce such a strong performance in 1983.

West German bank secrecy means that the banks do not provide specific operating figures but Deutsche Bank said that in the group as a whole, operating earnings rose 30 per cent in 1982, following an increase of 31.3 per cent in 1981.

Earlier this week it increased its dividend to DM 11 from DM 10 a share paid for 1981.

Behind the renewed surge in operating earnings lies a boom in bond trading profits, which doubled in 1982 from the already high levels reached in 1981. The bank's interest earnings also rose sharply, by 11.6 per cent (DM 398.4m) to DM 3.8bn, mainly reflecting a decline in funding costs. Commission income in the group stabilised around the DM 1bn level.

While operating earnings have boomed, so too have loan losses and provisions against potential loan losses. In its published accounts the bank discloses another leap in loan loss provisions and write-offs, this time a rise of DM 1.2 to DM 1.7bn.

The true scale of its provisions and write-offs is known only to the bank, for the published figure is arrived at after offsetting realised and unrealised dealing profits in fixed income securities and shares. The bank has indicated that actual provisions are even higher than the disclosed figure.

As a result of the write-offs and provisions, the bank discloses a group net profit of DM 343m, down from DM 412m in 1981. The decline will be widely seen (especially against the background of a dividend increase) as demonstrating once again that investors in West German shares should not pay too much attention to "the bottom line."

Dr F. Wilhelm Christians, the bank's joint chief executive, stamchly defended both the further dramatic increase in loan loss provisions and write-offs, and the net income figure, pointing out that business risks had increased sharply.

He warned, however, that Deutsche Bank was expecting its interest margins to come under pressure in 1983 now that the long decline in West German interest rates seems to be coming to an end.

In addition, he suggested that the bank was unlikely to repeat in 1983 the post-war record earnings it had reported in its securities trading division.

Dr Christian's warnings will be registered around the banking industry, since, as the market leader, Deutsche Bank's margins on interest business help to determine how its rivals can set their rates.

Paradyne rebuts SEC charges

By William Hall in New York

PARADYNE Corporation, the fast growing Florida-based data communications company, has firmly rebutted charges by the Securities and Exchange Commission (SEC) that it gained its biggest ever contract for the U.S. Social Security Administration (SSA) by fraudulent means.

The company, whose shares have fallen sharply since the news of the SEC allegations was released last Friday, issued a long statement yesterday saying that it believes the SEC's charges are "without merit." It intends to contest vigorously the SEC's allegations in court.

Paradyne's problems centre on a contract to supply minicomputers to the SSA. It is alleged that the company deceived the SSA by using another company's computer in the demonstrations before the contract was awarded.

The SEC also alleges that Paradyne enhanced its business prospects by issuing misleading statements. The allegations are contained in a civil complaint filed in a federal court in Tampa, Florida.

After the SEC allegations were made public Paradyne shares fell by more than a fifth in heavy trading on the New York Stock Exchange. Yesterday the shares recovered ¼ to $27¼ following the company's statement.

Referring to the demonstration of the company's operational capabilities to the SSA, which are the focal point of the SEC's complaint, Paradyne says that the various allegations which have been made are "seriously in error and distort the true nature of that demonstration."

The company emphasises that it engaged in no fraud of the SSA at the demonstration or otherwise, but made an accurate presentation

Degussa earnings drop but improvement likely

BY JOHN DAVIES IN FRANKFURT

DEGUSSA, the West German precious metals and chemicals group, sees some signs of an improvement in results this year, after a setback in sales and profits last financial year.

At the same time it is planning to raise up to $50m through an international bond issue with a share purchase option to strengthen the long-term financial base of its U.S. subsidiary.

Largely as a result of lower metal prices, the group's sales worldwide dropped 11 per cent to DM 8.89bn ($3.67bn) in the financial year to September 30. Group net profit fell 9 per cent to DM 58m and the parent company proposes to cut its dividend from DM 9 to DM 8 a share.

Herr Gert Becker, the chief executive, said that a number of factors had given a boost to results in the first five months of this financial year and the company was more optimistic than a year ago.

The parent company's profits from chemicals and pharmaceuticals were better, although metals profits were lagging. World sales revenue was 34 per cent ahead, but this largely reflected higher metal prices.

Degussa made a profit in the U.S. last financial year, despite the recession, and so far has made up a quarter of the $30m losses incurred since setting up manufacturing operations there 10 years ago.

The group plans to launch an international dollar bond issue with share option rights to replace existing short-term funds of the U.S. concern.

The issue will be made through Degussa International Finance, an Amsterdam subsidiary, with Dresdner Bank as lead manager.

As a first step, shareholders will be asked next month to approve a DM 10m increase in the DM 248m nominal capital of the parent company to provide shares for option holders. Degussa shares, with a nominal value of DM 50, are currently trading at about DM 280.

No final decision has been made on the terms or date of the bond issue or the date for exercise of share options.

Each $1,000 of bonds will carry the option to buy up to 10 Degussa shares at a specified price, which will be at least the average price on the Frankfurt stock exchange during the 10 trading days before the bond issue. Until options can be exercised, they can be traded on the Frankfurt Exchange.

The company has turned to this financial medium to enable it to offer a lower interest rate, in view of option holders' chances of capital gains.

In Australia, Degussa has taken a 10 per cent stake in Pancontinental Mining – attracted by the prospect of co-operating in the local group's gold and silver projects, rather than its uranium interests.

The share transaction last month has made Degussa one of the biggest single shareholders in Pancontinental, whose share price has been languishing lately because of uncertainty over the new Labor Government's uranium policy.

In Papua New Guinea, the Ok Tedi copper and gold mining project, in which Degussa has a 7.5 per cent stake, has suffered some delays as a long dry season made a river unnavigable.

Rescue agreed for Nyby Uddeholm

By David Brown in Stockholm

AGREEMENT has been reached in principle between the Swedish Government, other creditors and the owners of Nyby Uddeholm (NUAB) to rescue the lossmaking stainless steel enterprise from liquidation.

Under the plan, the Government is to cancel up to SKr 330m ($43.7m) of SKr 1bn in claims against the company. The Uddeholm parent company will pay SKr 175m in cash as stockholders' equity, and will maintain its majority interest for the coming 10 years. Skandinaviska Enskilda Banken will handle a public share issue which, it says, will raise at least SKr 100m. Granges, the engineering and metals group, will cancel its claim for SKr 55m.

Mr Thage Peterson, the Industry Minister, said the plan was consistent with the Government's policy of restricting its financial involvement and calling "for greater contributions from private owners and creditors in any structural changes." The alternative to financial reconstruction, he said, would have been liquidation.

The company has registered losses since 1979.

French banks launch system for electronic shop payments

BY DAVID MARSH IN PARIS

ST-ETIENNE, the town in central France noted for its football team and its (sadly declining) engineering industry, has just become wired up for France's latest and most ambitious project in electronic banking.

A group of banks led by Société Générale, the third largest nationalised bank, unveiled on Tuesday an experimental system linking 250 retailers throughout the town with 350 point-of-sale terminals, which enable shoppers to pay for purchases by directly debiting their bank accounts. The banks hope not only to spread the system in France but also to sell it abroad.

The system, which has cost about FFr 35m ($4.8m) to set up (including running costs for a 2½ year period) is being used to carry out about 4,200 transactions a week for a total value of just over FFr 1m.

The banks say it is the largest electronic payment scheme of its type in the world – much bigger than the rival point-of-sale terminal project pioneered by the farmers' co-operative bank Credit Agricole in Limoges – and hope to increase to about 3,000 to 5,000 transactions a day in six to nine months.

The St-Etienne project is run by the banks grouped in the Carte Bleue credit scheme. French-made terminals, manufactured by the Serge Dassault electronics group, installed in shops are linked via telephone circuits to a central IBM computer.

Unlike the rival scheme run by Credit Agricole – which has decided not to join in the other banks' system – the St-Etienne project is on-line, with the counter terminals linked to the banks for instant control and authorisation 24 hours a day.

Purchases are paid for electronically by passing the customer's credit card through a groove in the terminal. The shopkeeper keys in the amount of the purchase, while the customer records his confidential code number on a separate keyboard attached to the terminal.

This confirms the transaction in the same way as a signature on a cheque. Depending on the type of card used – either the Carte Bleue or any of the individual credit cards distributed by the dozen participating banks – the payment is debited from the shopper's bank account either after two days or at the end of the month.

Underlining France's commitment to electronic banking, the same banks are experimenting in Aix en Provence with off-line point of sales terminals – which have no directs computer link with the bank.

In three other towns, Caen, Lyons and Blois, projects are under way using the "smart card" containing a microprocessor, used not only for retail payments but also for making telephone calls and for personal identification.

M Louis Mexandeau, the Posts and Telecommunications Minister, said the "smart card" represented the preferred "path of the future" in spite of its higher cost.

M Jacques Mayoux, the chairman of Société Générale, and a former director general of Credit Agricole, said he regretted that the farmers' bank had not joined in the Etienne scheme.

He stressed that although several different electronic payments systems were being tested, ultimately a choice of technology would have to be made for a national system to avoid unnecessary competition and wasted investment.

M Mexandeau indicated that a decision would be made next year.

The banks underline in particular the simplicity and reliability of the system and the advantages for both customers and retailers of lowering risks from fraud.

American General in $1bn bid

BY WILLIAM HALL IN NEW YORK

AMERICAN GENERAL, the fourth biggest stockholder-owned insurance company in the U.S., is making an agreed bid worth in excess of $1bn for the insurance operations of Gulf United.

The deal marks the second major move by American General in the insurance industry in less than a year. Last autumn the company acquired NLT Corporation in a transaction valued at $1.5bn.

Gulf United is a holding company whose subsidiaries operate principally in the life insurance industry and to a lesser extent in broadcasting, wholesale distribution of health care products and other industries.

Under the deal, which has been agreed in principle, American General is not acquiring Gulf United's non insurance operations which are believed to be the equivalent of roughly a fifth of Gulf United's book value.

Gulf Broadcast Company, which presently owns Gulf United's non-insurance properties will be spun – off pro rata to the holders of Gulf United common stock immediately before the consummation of the acquisition. The company concerned owns three TV stations, eight radio stations, Southwestern Drug Corporation and other assets.

The deal involves Gulf United common stock being exchanged on a one-for-one basis with a new issue of American General convertible voting preferred stock and a five year warrant to acquire one-twelfth of a share of American General common stock.

Each new share of American General preferred stock will have a stated value of $23 and be entitled to a cumulative dividend of $1.32 and be convertible into one third of a share of American General

It is anticipated that substantially all of the Gulf United convertible securities will be converted into Gulf United common stock before the acquisition

Chase Manhattan may take control of NCB

BY OUR AMSTERDAM CORRESPONDENT

CHASE Manhattan Bank of the U.S. is understood to be considering taking majority holding in Nederlandse Credietbank (NCB), the fifth largest commercial bank in the Netherlands.

Chase owns 31.5 per cent of NCB. It would seek to increase its stake by purchasing the 27.5 per cent held by Thyssen-Bornemisza, the Amsterdam-based manufacturing and trading group.

Mr Jacques Delsing, chairman of the board of management of NCB, said yesterday that it appeared that Thyssen wanted to dispose of its holding. Thyssen had recently offered to sell its NCB shares to the Dutch PTT, which is keen to have access to retail banking services. The deal was, however, vetoed by the Finance Ministry.

Mr Delsing said that there was no immediate deal in prospect, but that the Thyssen shares could in theory be taken up by Chase, extending its holding to 59 per cent. There would, in his opinion, be no objection to such a move from the Dutch Central Bank.

Last week, a vice-president of Chase Manhattan visited Amsterdam to study the possibility of an increased stake in NCB.

NCB last year recorded a 61.5 per cent fall in its earnings, to Fl 7.3m ($2.7m), as its net provisions rose 59 per cent to Fl 66.5m. Mr Delsing said yesterday that similar provisions could be expected this year, but the position might well improve in 1984.

Entrepreneur to buy U.S. Steel operations

BY OUR NEW YORK STAFF

U.S. STEEL, the biggest steel producer in the U.S., is continuing its programme of asset sales and has signed a letter of intent to sell certain of its non-steel operations to Mr William W. Winspear, a private entrepreneur.

Included in the proposed deal are U.S. Steel's wholly-owned subsidiary, Alside, which ranks as the biggest producer of building siding and related products in the U.S., its electrical cable operation and its tyre cord business.

U.S. Steel, which made a net loss of $361m in 1982, has been selling assets since 1980 and redeploying the proceeds in more profitable parts of its business. Last year it raised $800m from the sale of various subsidiaries and buildings.

U.S. Steel has not released any individual data on the importance of the subsidiaries which are involved in the planned transaction. More information will be released once a definitive purchase agreement has been signed.

Mr Winspear of Dallas has been president and chief executive of Chaparral Steel of Midlothian, Texas and before that was chief executive of Lake Ontario Steel company in Canada.

Bührmann-Tetterode setback

BY WALTER ELLIS IN AMSTERDAM

BÜHRMANN-Tetterode, the Dutch paper, print machinery and packaging group, reports sharply lower profits for 1982 and plans to cut its dividend.

Profits before tax have tumbled to Fl 28.2m ($10.3m) for Fl 49.8m on sales little changed at Fl 2.68bn, against Fl 2.67bn. The dividend is going down from Fl 2.4 a share to Fl 2.

After a lower tax charge and business closure losses reduced from Fl 34m to Fl 12.6m, the companys' net earnings emerge at Fl 12.6m, against Fl 1.5m in 1981.

Bührmann agreed yesterday that its results last year had come under pressure. Last November, the company noted that the impact of cost-savings measures undertaken in 1982 would not begin to be felt until this year.

It was for this reason that increased provisions against restructuring were written in the 1982 results.

INTERNATIONAL COMPANIES and FINANCE

Downturn in profits for IBM Japan

By Yoko Shibata in Tokyo

IBM JAPAN, a wholly owned subsidiary of the U.S. group, has reported a 9.2 per cent fall in unconsolidated net profits to Y3.6bn ($14.9m) on sales of Y485bn, up by 13.1 per cent, for the year ended January 31, 1983.

Thanks to the introduction of new large computers, such as the 3081 series, and shipments of computer terminals to banks, IBM Japan's sales in the domestic market rose by 15 per cent. However, exports were sluggish, up only by 6 per cent to Y115bn, reflecting a shift of production to overseas plants.

The earnings setback was attributed partly to increased material and production costs, and partly to foreign exchange losses on imports caused by the sharp depreciation of the yen. Higher interest payments resulting from the company's substantial capital investments in restructuring its marketing networks, starting a leasing system, and marketing new office computers also affected the result.

For the current year the company forecasts growth in sales of more than 20 per cent, boosted by demand for office automation equipment such as office computers and a new multifunction computer with a Japanese language word processor facility.

Big provisions by HK developers

BY ROBERT COTTRELL IN HONG KONG

HONG KONG'S two largest companies, Hongkong Land and Cheung Kong (Holdings), have reported 1982 profits savagely cut by the collapse of the local property market.

At Hongkong Land, provisions totalling HK$1.9bn (U.S.$285m) against now doubtful joint-venture projects left a loss of HK$514m, against 1981 net profits of HK$2.2bn. The dividend is cut by one-quarter.

Land's downturn also had a knock-on effect at Jardine, Matheson, the trading group which owns some 40 per cent of Land's equity. Jardine's total profits were cut from HK$982m in 1981 to HK$320m.

Cheung Kong (Holdings), the property developer controlled by Mr Li Ka-Shing, enjoyed meteoric growth through the local property boom of 1978-81. The 1982 reversal has caused Cheung Kong to make provisions of HK$458.7m against the diminished value of its landbank, and a further HK$178.4m against investment holdings in other development companies.

Two other major Hong Kong property-based companies also reported for 1982 yesterday. Swire Pacific, whose subsidiaries include Swire Properties and Cathay Pacific Airways, reported total profits of HK$600.7m against HK$764.5m for 1981. While Hutchison Whampoa, also chaired by Mr Li Ka-Shing, showed profits after tax of HK$949m, an increase of HK$159m over 1981. Cheung Kong holds 42 per cent of Hutchison.

	After-tax profit (HK$m's)	Extraordinary items (HK$m's)	Net profit (HK$m's)	Dividend per share (HK cents)
Jardine Matheson (1)	708 (723)	−388 (+259)	320 (982)	80 (80)
Hongkong Land (2)	1,038 (1,429)	−1,552 (+734)	−514 (+2,163)	26 (34)
Hutchison Whampoa (3)	949 (790)	52 (157)	1,001 (947)	45 (40)
Cheung Kong (4)	526 (1,385)	7 (219)	534 (1,604)	70 (70)
Swire Pacific (5)	601 (728)	Nil (37)	601 (765)	15.2 (15.2)

All figures are for 1982 with those of 1981 in brackets.
Notes: (1) Extraordinary items include exchange translation differences; (2) Provision against development projects included in extraordinary items; (3) Profits are stated before deduction of preference share dividends; (4) Provision against landbank included in after-tax profits, provision against investments included in extraordinary items; (5) stated dividend is on "B" shares.

The major surprise for analysts was Hongkong Land's decision to provide in full against the possible termination of certain projects—mainly its joint-ventures on the Redhill and Miramar sites, Mr Trevor Bedford, Lands' managing director, said yesterday that the provision, of HK$1.9bn, was sufficient to cover all of the group's liabilities on Redhill, a residential project on Hongkong Island, and Miramar, a commercial development in Kowloon.

Land has a 50 per cent stake in both projects. Its partners in the Miramar deal include the Carrian group, currently seeking debt rescheduling to stave off liquidation. On Redhill, 12 per cent of the joint-venture company, Vermillion, is held by E Wah and Aik San, two private Chung family companies which are also in negotiations with their bankers.

Jardine Matheson and Hongkong Land equity-account for their mutual cross-holdings of one another's equity. Jardine's profits were depressed accordingly. But the major news from the Jardine camp yesterday was of managerial changes. Mr David Newbigging, chairman and senior managing director, is to relinguish the latter role in June while remaining as non-executive chairman.

The chief executive's job is to be taken by Mr Simon Keswick, who was made a joint managing director last year and is expected by many to eventually take over the chairman's post. Mr Keswick is descended from Jardine's Scottish founders and his family hold an undisclosed equity stake in the company.

Looking towards the current year, with the Hong Kong property market still in the doldrums, Mr Li Ka-Shing adopted a bearish outlook in his statements on behalf of both Cheung Kong and Hutchison Whampoa. Hutchison, he warned, faced "a substantial fall in group profits for the current year" unless the property market and local economy showed a "marked improvement." At Cheung Kong, he expected that "1983 earnings will be lower than those in 1982 and that dividend payments will be affected."

Mr Newbigging said he thought Jardine Matheson would improve its performance in 1983. Swire Pacific's Mr Duncan Bluck was the most optimistic of reporting chairmen. He saw "positive indications of some improvement in demand in the property market in Hong Kong." He also said Cathay Pacific, from which Swire netted HK$90m of profits on aircraft disposals in 1982, showed "encouraging" first-quarter results, while other divisions were expected to achieve "satisfactory" outcomes for 1983.

Bond bids A$260m for Grace Brothers

By Michael Thompson-Noel in Sydney

BOND CORPORATION Holdings of Perth last night launched a takeover bid for Grace Brothers Holdings, the Sydney-based retailing and transport group, worth approximately A$260m (U.S.$225m).

The master company of Mr Alan Bond, the Perth businessman is offering one cumulative preference share in Bond Corporation, redeemable for A$4.50 cash in three years time, in exchange for every stock unit and convertible note in Grace Brothers.

Mr Bond told Australian stock exchanges last night that on a 12 per cent discount basis, and leaving aside tax advantages that might accrue to some shareholders and noteholders, the offer was worth A$4.06 per Grace Brothers stock unit and convertible note.

The move could help rationalise the extraordinary tangled state of Australian retailing. If it does, it will leave Mr Bond in control of a retailing group that also embraces the Waltons Bond and Norman Ross subsidiaries, and which will rank as the country's fourth biggest retailer.

Following a hectic tussle for Grace Brothers shares last year, Bond Corporation at present controls just under 20 per cent—as does Adelaide Steamship Company (Adsteam), and Myer Emporium, the Melbourne-based retailer.

Approximately 18 per cent is held by Grace family interests (including the Grace Brothers pension fund), and 6.8 per cent is held by yet another Australian retailer, Woolworths, which last year launched—but subsequently withdrew—an offer of A$186m for Grace.

Grace Brothers' profits for the year to last July were A$13.7m, but Australian retailing is depressed at present.

A week ago, before the latest bout of hectic trading in Grace Brothers shares, the share price was A$2.80.

There is inevitable speculation that the Bond bid will flush out a counter-offer, either from Myer Emporium or from Adsteam—or both. Last night Adsteam did not rule out making such a bid.

Major debt default in Taiwan

BY ROBERT KING IN TAIPEI

TAIWANESE and foreign bankers here are bracing themselves against the effects of a major debt default that could become the largest commercial banking loss in Taiwanese history.

Altogether, 27 financial institutions, including six foreign banks, are owed more than U.S.$50m by Great International Corporation, Taiwan's fifth largest trading company, and its affiliate, the We Sheng group. The companies began defaulting on payments late in 1982 and to date no plan to reschedule the debt and reorganise the group has emerged.

Great International's U.S. affiliate, GIC America, compounded the group's troubles recently by filing for Chapter 11 bankruptcy procedings in the U.S. The company's petition lists about $8m in secured and unsecured debt, and about $9.2m in assets.

GIC America's largest unsecured creditor, according to court documents, is the Bank of Bangkok, with about $850,000 in loans outstanding. Other unsecured lenders are Societe General, Metropolitan Bank and Trust of the Philippines, Algemene Bank Nederlands, Oceanic Bank, and Union Bank. Exposure of these banks ranges from $295,000 to $759,000.

In Taiwan, We Sheng and Great International's creditors include the Morgan Bank, Lloyd's Bank International, Banque de Paris et des Pays-Bas, as well as local branches of Bank of Bangkok, Meropolitan Bank and Trust and Societe General.

It appears that rapid expansion in the food processing industry, where competition is rife and profit margins are slim, led to the companies' overextension.

Most of the companies' assets are tied up in property at a time when the property market is depressed and prices have fallen. Thus, even institutions whose loans are secured against property might have trouble recovering their assets.

The Government has asked the banks to wait until the end of April before pressing for repayment, in order to give the companies time to come up with a re-organisation plan. But bankers say that with manufacturing and exporting operations at the companies continuing at only minimum levels they remain pessimistic.

Wang Chao-Ming, Taiwan's vice-minister of economic affairs, said last week that the Government has no current plans to assist the ailing companies.

UK COMPANY NEWS

GRE rises £17m: payment lifted 2p

A PRE-TAX profit up by 19 per cent from £89.1m to £106.2m is reported by Guardian Royal Exchange Assurance for 1982.

Underwriting losses on general insurance business jumped by one-third from £48.7m to £66.1m, but this deterioration was more than covered by a 23 per cent rise in net investment income from £125.7m to £155.1m and a 40 per cent increase in long-term profits from £12.1m to £17.2m.

A substantial rise in the tax charge, plus higher minority interests, *trimmed* the *improvement* in net profits available to ordinary shareholders to under 4 per cent, rising from £57.2m to £59.3m.

Earnings per ordinary share actually fell to 37.7p (39.5p).

Nevertheless, GRE is lifting its dividend for 1982 by 11.4 per cent from 17.5p to 19.5p with a final payment of 12.5p per share.

General premium income last year grew by 12 per cent in sterling terms from £862m to *£967m, the* underlying growth rate allowing for changes in exchange rates being 7 per cent.

Premium income in the UK, which accounts for nearly 40 per cent of GRE's business, rose by only 5 per cent from £359m to £378m, while underwriting results moved from a small profit of £500,000 in 1981 to a £29.1m loss last year.

These two features arise from the very keen competition for business; while underwriting losses were accentuated by the severe winter weather at the beginning of the year.

Germany accounts for around 15 per cent of GRE's business and last year underwriting losses remained unchanged in sterling terms at £4.6m on a *marginal* rise in premium inco-? from £133.4m to £143.9m. The German insurance market remains difficult and the subsidiary Albingia continues to improve relative to the overall market.

The group's recent expansion in the U.S. has resulted in premiums from that country now accounting for almost 8 per cent of worldwide business. *Premium* income climbed from £59.3m to £74.7m, but the deteriorating insurance market in the U.S. *resulted in underwriting losses* in 1982 of £5.7m, against a profit of £2.8m in 1981.

Heavy weather losses, increasing numbers of claims and rising claims costs, all contributed to the deterioration.

GRE has so far not experienced the general market improvement *in Canada and underwriting* losses rose slightly from £8.1m to £8.3m. The group continued to expand its premium income in sterling terms to £71.3m (£67.5m), despite severe competition. It has made rate increases on all accounts.

However, business has improved in Australia in line with the market trend with *underwriting losses being cut* from £4.7m to £1.6m. Business in the Republic of Ireland deteriorated with underwriting *losses rising from £500,000* to £4.6m and a pre-tax loss of £800,000 being recorded.

Elsewhere, business in South Africa produced a substantially improved result. France had bad weather claims and a rise in theft claims. Fire insurance in Holland *showed* increased competition following the end of the tariff.

HIGHLIGHTS

Lex today looks at **Bowater** which has cut its final dividend leaving full-year payout down by a third, following a sharp reduction in profits and in the light of consistent cash outflows. **Hongkong Land** has also cut dividend and announced a HK$1.9bn write-off below the line. **Jardine Mattheson** has produced preliminary figures which similarly show the strains *of a rising* debt load and *the* difficult conditions in Hong Kong. The column goes on to examine the £101m one-for-five rights issue by **Standard Chartered Bank** to fund the expansion of its merchant banking arm. Further it considers **Guardian Royal Exchange**, which has reported a 19 per cent full-year profits rise to £106m, with elimination of overseas underwriting losses. Away from company results Lex examines the finance bill which confirms suspicions that the concessions over ACT and double tax *relief* are actually worth nothing to the properly-run multinational company.

● comment

GRE still looks ready to ditch market share if that is the price of standing by its belief in an intrinsically sound underwriting business and the approach has paid off handsomely. New premiums volume has slipped in Germany, South Africa and Canada but the management's *emphasis on profitable risks has* wiped out a net £20m underwriting loss incurred in Australia and South Africa in 1981. In the UK, the group has done well to *limit motor underwriting losses* to £1½m, but the overall picture has been spoiled by £17m of storm damage losses and £12m losses on liability and theft contracts. The growth in GRE's investment income is less striking than the capital gains, realised or unrealised, which the group has enjoyed on its investment *portfolio in 1983: just over £175m* has been added to reserves, in addition to the £28.7m of retained earnings for the year, and GRE's *solvency ratio has risen from* 63 to 78 per cent. A strong dollar and the U.S. bond market's boom has yielded a huge windfall profit on the £76m proceeds of the 1981 rights issue, still being held in reserve against future U.S. acquisitions. Ambitions in this direction have been *frustrated* by other profligate predators, but should still add to the *future attractiveness of the shares* which at 422p are yielding 6.8 per cent *after* yesterday's increase in the dividend.

Legal and General advances 19% to £35m

A 19 per cent advance in group profit, after tax and minorities, from £29.4m to £35.1m is reported by the Legal and General Group, *with the U.S. life subsidiary* Banner Life (formerly Gelico) acquired 12 months ago, contributing £9.1m.

Earnings per share improved from 19.62p to 23.32p.

A £1.1m net payment to the employee profit-sharing scheme, which, including a payment for 1981, trimmed the profit attributable to shareholders to £34m—*an increase of 16 per cent on* 1981's profit.

The dividend is lifted by nearly 20 per cent from 13p to 15.5p with a final payment of 11p.

Long-term business was buoyant in 1982 with worldwide premium income on life and pensions business rising 15 per cent from £562m to £646m. The slowdown in pension premiums *from the recessionary conditions* had been more than offset by the growth in ordinary life business.

The total surplus from the group's long-term business funds in 1982 amounted to £165.1m, including the contribution from *Banner Life, compared with* £134m in 1981. Out of this profit, £133.3m has been allocated as policyholders' bonuses and £31.8m transferred to profit and loss. Thus long-term profits to shareholders from funds other than the U.S. have advanced by 15 per cent from £19.7m to £22.7m.

The surplus includes the transfer of £101.8m from invest*ment reserves to the long-term* revenue account. Such transfers were started in 1981 in respect of UK funds with a sum of £24.5m being transferred. *In 1982, this* practice was extended to the investment reserves of the worldwide funds.

General insurance premiums improved only marginally last year in sterling terms from £168.1m to £169.4m. The underwriting losses jumped 12 per cent from £18.9m to £21.2m.

In the UK, general insurance premium income improved nearly 7 per cent from £94.5m to £100.9m. But underwriting losses more than doubled to £10.5m *(£4.4m), much of this deterioration* coming from the severe winter weather at the beginning of 1982. This resulted in £6m of *exceptional weather claims.*

Commercial fire business suffered somewhat from the severe competition, while the motor account, although still making an underwriting loss, continued to improve albeit at the expense of a loss of some business.

● comment

The strategy of the Legal and General Group to retrench, at least temporarily, on its worldwide general insurance operations and to concentrate expansion in its life and pensions operations is already paying off. The withdrawal *from* Australia was a strong factor in containing the rise in underwriting losses last year, compared with the industry as a whole, while the refusal to get involved in a major premium cutting war for UK commercial and motor business *has not resulted in underwriting* losses escalating through expense pressure, despite lack of growth in premium income. On the life *side, the group's entry last year* into the U.S. life market through the acquisition of GELICO, now renamed Banner Life, has paid off well with a strong contribution to net profits. Life business is expanding in Australia, while in the UK lack *of growth in the* recession hit group pensions market is being offset by strong growth in ordinary life business. The group's efforts to diversify beyond the group pensions market is paying off. Prospects for this year look good, with continued growth in long-term business and much better general insurance results thanks to a kinder *winter* in the UK and disengagement from Spain and France. At 416p, the shares yield 5.5 per cent.

Second half downturn leaves Weir at £7.7m

HAVING predicted at the half-*way stage that full year profits* would be similar to 1981, the directors of Weir Group report a decrease in the taxable figure for 1982 from £8.3m to £7.68m. Sir Francis Tombs, chairman, says that normal banking arrangements have been resumed.

Second half profits of this engineer moved down from £5.22m to £4.12m.

Earnings per share given as moving down from 10.7p to 7p on a fully diluted basis. The net final dividend is held at 1.75p leaving the year's total higher at 2.5p against 1.85p.

Pre-tax profits were *struck* after higher associate profits of £3.52m against £2.98m, and reduced interest charges of £2.46m compared with £4.77m.

Turnover was reduced from £152.22m to £136.9m.

By the end of 1982 loans and overdrafts from UK banks had been virtually eliminated. And it has been possible to *dismantle the credit agreement involving* 12 banks with the operating restrictions imposed and to return to normal banking arrangements with the Royal Bank of Scotland, says Sir Francis.

These borrowing rearrangements place the group in a much improved financial position.

After tax of £3.18m (same) and *increased extraordinary* debits of £1.15m against £956,000, attributable profits were lower at £3.35m (£4.07m).

Sir Francis has announced *his* intention to resign as chairman from April 30—he will be succeeded as non-executive ch-?-r-man by Viscount Weir.

● comment

The market was expecting same-again profits from the Weir Group, so the fall of around £600,000 at the pre-tax level was enough to send the shares down 2p to 44p. But for the company the most important aspect of the year was its double-quick decision to end the state of emergency and get back to dealing with only the one bank. Capital *gearing is now down to about* 50 per cent, even counting the preference shares as debt. The £1.2m extraordinary item refers to payments within the Lazard scheme, and the bottom line should not suffer a similar battering in the current year. The falling £ is very much a plus for the export oriented Weir, particularly in the pumps division, a market largely conducted in dollars. Having got the banks off its back, Weir's next step must be to pay off the *participating* preference shares, when the balance sheet permits. With a yield of 8.5 per cent, and on a stated multiple, fully diluted, of about 6, Weir comes cheaper than some other would-be recovery stocks. But the company itself seems to share the CBI's belief that mechanical engineering is not showing as much sign of re*covery as the rest of manufacturing* industry.

Dividends announced P27

Volvo seeking £25m in London

Volvo, the Swedish car, engineering and trading group, announced plans yesterday for a new share issue in London to raise over £25m.

The issue will comprise up to *750,000 series B free shares,* which can be bought by foreign investors. They are currently traded at the equivalent of £34.50 *(SKr 380)* on the Stockholm market.

The price and timing of the issue will not be decided until after the shareholders' meeting on May 25, but it is proposed that the authorisation of the shares be valid until the following meeting.

Bowater profits drop £34m —dividend cut by 3.75p

SEVERE overcapacity and lower prices for pulp and paper produced a slump in pre-tax profits *and a cut in dividend from* **Bowater Corporation** for 1982.

The figures at midway were little changed at £42.3m, against £43m, but with North *American* pulp and paper profits dropping away sharply in the second half and losses from UK papermaking increasing, taxable profits of the group dropped from £106.7m to £72.5m for the year.

The final dividend is 3.5p, compared with 7.25p, which leaves the net total behind from 11.5p to 7.75p per £1 share.

Mr Ingram Lenton, managing director, said that the cut was not solely due to the fall in profits, although this was a *factor. He said it was in anticipation* of poor profits expected in North America for the first half of the current year, plus a determination to *eliminate* the cash outflow of recent years, and the need to keep the company's manufacturing base in "first-class condition."

Mr Lenton stated that figures for the year so far were in keeping with budgets, which forecast a "very poor profit level in North America."

On prospects, he said that while an upturn *in the* pulp and paper businesses would "*surely* come in the not too distant future" the company, in the meantime, was building up its assets, switching to lower capital intensive businesses, and developing activities in the Pacific *Basin.*

Bowater, he added, was planning to cut operating costs even further which would involve some "relatively small" assets disposals. He said that so far in 1983, 300 further UK redundancies had been made or announced, and it would be "foolish to pretend that the future of any manufacturing industry portends anything other than further redundancies."

Turnover for the group was up by £138m to £1.57bn (£1.43bn) and with trading profits of £105m (£133.6m) were split by activity as to: paper and pulp £850m (£594m) and £71.4m *(£106.4m); packaging and paper* conversion £221m (£199m) and £8.1m (£7.9m); tissue products £242m (£230m) and £20.6m *(£22.8m); other manufacturing* £158m (£130m) and £0.7m loss (£0.5m loss); merchanting freight and other services £295m (£275m) and £10.6m (£7.8m); central costs £5m (£5.8m); discontinued businesses' sales £30m and £5m loss, for 1981.

The same figures, including discontinued businesses, split by area shows: UK £634m (£788m) and £9.9m (£15.4m); North America £517m (£521m) and (£83.6m) (£106.3m); Europe £209m (£191m) and £2.1m (£4.3m); Australia and the Far East £207m (£227m) and £14.4m (same).

Lord Erroll of Hale, chairman, says that the expected growth of demand, the modest scheduled installation of further capacity following the substantial growth of the past three years, together with the elimination of some obsolete newsprint capacity in North America and the rest of the world," indicate that the balance of advantage will lie with suppliers again by 1985, e-?-d a situation of equality may be reached at some stage in 1984."

Tax charge, further reduced by substantial investment incentives on capital projects in North America, amounted to £27.5m (£50.1m) for the year, while minority interests took £14.8m (£15.7m).

There were extraordinary debits of £4.6m (£5.5m credits) leaving the attributable balance well down at £25.6m, compared with £46.4m.

See Lex

Myson Group back in black

AFTER HEAVY losses of £7.12m in 1981, **Myson Group** produced pre-tax profits of £1.31m last year *after returning to profit at half* time. Despite the group's better fortunes, no dividend is being paid for the year. The last payment was an interim of 1p in 1980.

At the halfway stage pre-tax profits of £823,000 were returned compared with previous losses of £1.37m.

Turnover of this holding com*pany* with interests in design and manufacture of heating, ventilating, air conditioning and industrial heat-transfer equipment, rose from £46.31m to £53.22m. Trading profits emerged at £3.98m against losses last time of £511,000.

The pre-tax figure was struck after interest charges lower at £2.17m against £2.76m and excep*tional* debits of *£506,000* (£3.85m). The tax charge was down from £12,000 to £5,000, leaving profits of £1.3m (£7.13m loss) before extraordinary debits of £1.04m last time.

Exceptional items include *redundancy costs of £236,000* (£370,000), stock provisions £270,000 (£2.98m) and start-up costs nil (£501,000).

Stated earnings per 10p share were 2.1p against losses of 17.8p.

BP Australia loss

The general economic downturn, the high risk nature of *exploration* programmes, and "the effects of State Government interference in retail fuel pricing," have combined to push **British Petroleum Company of Australia** into a net loss of $41.31m in 1982.

This compares with a net profit of $10.66m earned in 1981. Also in 1982 there was an extraordinary loss of $7.64m.

Domestic arm a major force for Barclays Bank

Barclays Bank yesterday *revealed that £23.8bn of its total* assets of £59bn are in the domestic bank. An additional £12bn comes from the UK-based international division activities, with the U.S. portion being £7.3bn, South Africa £6.1bn and "rest of the world" accounting for £9.8bn.

This breakdown is published in Barclays' 1982 accounts and is part of a supplementary section designed to meet the requirements of the U.S. Securities and Exchange Commission.

The breakdown of lending to customers shows £16.6bn domestic, £4.8bn UK-based international, £4.3bn U.S., £3.8bn South Africa and £5.8bn "rest of world" for a total of £35.3bn.

Total provisions for last year were £318m, which was after £12m of recoveries and including £5m of general provisions. Specific provisions included £143m domestic, *£7m related to* UK-based international business, £98m in the U.S., £21m in South Africa and £56m in the "rest of the world" category.

Of the £144m written off last year (up from £85m in 1981), £70m related to manufacturing, construction, financial and service industries in the UK, U.S. and South Africa, £1m to agriculture, forestry and fishing in the same countries, £12m for property loans, £46m for individuals and £3m for other businesses.

Mr Timothy Bevan, chairman, *says in his statement* that the planned merger of the group's two companies—Barclays Bank and Barclays Bank International—should require an Act of Parliament, as was the case *for* the merger with Martins Bank. For this reason the merger could take about 18 months, he adds.

Western Areas Gold Mining Company Limited

The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

(both incorporated in the Republic of South Africa)

Members of the
Johannesburg Consolidated Investments
Group of Companies

Highlights from the 1982 Chairman's Reviews

Gold market

The London free market gold price, which was fixed at \$400 (R383) per ounce on 31st December, 1981, had declined to \$304 (R348) per ounce by 23rd June, 1982 against a background of deepening recession in the major Western industrial countries and despite political developments that might have been – and, in the past, have been – a significant factor in stimulating the demand for gold. Fortunately, however, this reduction in the dollar gold price of 24% during the first half of 1982 was accompanied by a lower rand/dollar exchange rate, with the result that, in rand terms, the equivalent reduction in the gold price was only 9%.

During the second half of 1982 the dollar gold price recovered and the free market price was fixed in London at \$448 (R481) per ounce on 31st December 1982, having attained a level of \$489 (R560) per ounce on 7th September, 1982. The sudden rapid increase in the gold price was apparently the result of two factors. Firstly, the prospect of a swift recovery in the United States economy – following significant decreases in U.S. dollar interest rates – created expectations of both higher inflation in that country and of greater gold demand for jewellery and investment purposes. Secondly, the precarious financial situation of certain third-world countries cast some doubt on their ability to repay U.S. dollar loans. In this instance the perceived threat – which still exists – was that default by such countries would severely strain the U.S. banking system, causing the U.S. monetary authorities to increase the money supply.

While the U.S. money supply rose sharply between September 1982 and February 1983 in response to a relaxation of monetary policy, inflation in America nevertheless declined further and this, together with a decline in oil prices, caused the gold price to ease back again. In fact, it fell by 19% from \$509 (R569) per ounce on 15th February to \$412 (R449) per ounce on 4th March, 1983 ahead of the OPEC agreement of 14th March, 1983 to reduce the Saudi Arabian reference price by \$5 a barrel to \$29 a barrel. This had come about as a result of the significant over-supply of oil to the world petroleum market and can be expected to contribute positively to a further easing of world inflation in the short run.

With the benefit of hindsight, it is now possible to say, with a fair degree of certainty, that both the severe decline in the gold price as well as its rapid recovery during 1982, may have been exaggerated by the participation of speculators in the futures markets. The influence of these markets becomes apparent only when it is realised that on a particular day the turnover is usually between three and five times greater than that associated with the physical gold market. Furthermore, between 1980 and 1982 annual turnover of gold on the major futures markets increased by some 30% to a level approaching 1 400 million ounces, which is more than 30 times greater than the world's total gold production during 1982. The radical change in the gold market during the past few years has clearly resulted in a far greater awareness of gold, which augurs well for the price in the future. However, this has also resulted in greater fluctuation in the gold price as it adjusts with speculators' expectations of U.S. dollar purchasing power.

It seems possible, therefore, that the wide oscillations in the gold price experienced in the recent past may be a permanent feature of the gold market and that the gold producers will have to adapt their policies accordingly. Insofar as low-cost producers are concerned, the necessary adaptation may be relatively minor and entail only a more dynamic approach to planning. However, marginal producers may have to adopt a more conservative approach to try and secure an acceptable level of revenue rather than take the risks associated with a volatile gold price.

Uranium market

The uranium price decline, which began in 1979, continued during 1982. The lowest uranium spot price as published by Nuexco in 1982 was \$17 per pound in September and October of that year, compared with a price of \$23.50 in December 1981. This reduction in the spot price has been a reflection of a basic imbalance between demand and supply following a world-wide reduction in energy consumption. In the absence of significant decreases in uranium production, stocks continued to increase substantially. Sales from stock by American utilities – committed to purchase quantities of material substantially in excess of their requirements – and the sale of uncommitted production by certain North American producers exacerbated the decline in the uranium price.

Fortunately, however, most major consumers with long-term contracts for their requirements have taken a realistic view of the decline in the uranium price in order to ensure continuity of supply. As a result, the price associated with such contracts has, in many instances, not been as severely affected as it might otherwise have been. In addition, the lower rand/dollar exchange rate that prevailed during most of 1982 offset, to some extent, the lower dollar price.

Towards the end of 1982 the Nuexco uranium spot price increased to \$19.75 per pound. Although this may suggest that the decline in the market has been arrested, the industry is still faced with the fact that production will probably exceed demand for some time to come, particularly while regulatory constraints and concerns about environmental issues influence the construction of further nuclear power facilities in the United States and other industrialised countries. However, the force of these considerations should diminish if any significant upturn occurs in the demand for electric power.

Western Areas

Operations

The sharp decline in the U.S. dollar price of gold in the early part of the year necessitated a major rationalisation of operations to improve the grade of ore mined. As a result of the decision to concentrate mining operations within limited higher grade areas, ore from underground decreased by 17%. Material from surface sources to the mill increased from 433 000 tons to 557 000 tons. The effect was a net decrease of 12% in total mill throughput. Surface ore included 85 000 tons from the waste washing plant and 472 000 tons from the rock dump at North shaft.

Despite the treatment of 510 000 tons of uranium-bearing Middle Elsburg ore with a low gold content, the recovery grade improved to 4.5 grams per ton (1981: 4.1 grams per ton) resulting in the production of 16 923 kilograms of gold (1981: 17 706 kilograms).

Notwithstanding reductions in the number of employees, labour costs increased by some R8 million (8.75%). Power and water costs increased by R4,6 million (26.4%). In consequence of these increases together with additional development and the effect of inflation in other areas, total working costs increased by 11% to R198 million. This increase, together with the lower tonnage milled, resulted in unit working costs rising by 25.6% from R41,80 to R52,49 per ton milled.

4E Sub-Vertical Shaft

Development and stoping from this shaft are progressing well and the planned rate of production is expected to be reached during 1984.

SV3 Shaft

Sinking and equipping of this shaft are planned for completion during 1984, when development of the areas between 83 and 95 levels will be commenced. The deepening of the SV2 Shaft should be completed in 1985 and will assist in the acceleration of the work necessary for the commencement of stoping operations early in 1986.

Capital Expenditure

Expenditure on mining assets during the year was limited to R19,1 million. This was necessary because of the low gold prices realised during the major part of the year and work was restricted to items vital to the short and medium term maintenance of production. Present estimates indicate that expenditure of some R30 million will be incurred on capital items during 1983, the major portion of which will be absorbed by the SV3 Shaft programme.

Safety

The Mine achieved a million fatality-free shifts in January 1982 and the five-star rating in the International Mine Safety Rating Scheme was retained. On 12th February, 1983 a million fatality-free shifts were again recorded. Management and staff at the mine are to be congratulated on these achievements.

Labour

Consultations continued with white employees and their organisations on the question of the better utilisation of all labour. The indenturing of engineering apprentices from all races was introduced in 1983, but little progress has been made regarding the position of semi-skilled workers.

During the year the company was approached by various black unions with requests to recruit employees and conclude recognition agreements. Discussions have continued and agreement should be reached in due course. This will certainly lead to a major change in the industrial relations environment within the industry.

Forward Sales

As a result of the need to stabilise revenue at the level necessary to cover working costs and capital expenditure, the major portion of the expected gold production for the second half of 1982 was sold forward earlier during the year.

Outlook

The company still faces a difficult period ahead pending the completion of the SV2 and SV3 Shaft systems and the development of sufficient ore reserves, particularly on the VCR horizon, to provide the necessary flexibility of operations. In the longer term, these projects should result in an improvement in the grade of ore available for mining.

With the improvement in the gold price, underground production at North Shaft is expected to increase and this should offset the reduction in the treatment of surface dump material, sources of which will be depleted towards the end of this year. Recovery grades during 1983 are expected to be maintained at the present levels.

Development rates will continue to increase and will remain high for a few years. Underground exploration west and north of the lease area will also be undertaken. The programme to open up and evaluate old blocks of ore at North Shaft has been accelerated.

These programmes will result in higher working costs but these increases should be offset to some extent by improved productivity.

The major portion of the expected gold production for 1983 has been sold forward to ensure a satisfactory minimum level of income. It is intended to maintain this policy until the deeper high-grade areas have been developed and the necessary flexibility of operation has been achieved.

Johannesburg
22nd March, 1983

G. Y. Nisbet
Chairman

SUMMARY OF OPERATIONS

Year ended 31st December	1982	1981
GOLD		
Tons milled – 000's	3 768	4 291
Kilograms produced	16 923	17 706
Recovery grade g/t	4,5	4,1
Average price received		
U.S. \$ per ounce	358	463
Rands per kilogram	12 590	12 946
Revenue per ton milled: R	57,51	53,57
Cost per ton milled: R	52,49	41,80
Profit per ton milled: R	5,02	11,77
URANIUM		
Tons treated – 000's	510	—
Oxide produced – tons	171	—
Recovery grade – kg/t	0,33	—
FINANCIAL		
Profit from gold – Rm	18,9	50,5
Profit from uranium – Rm	2,9	—
Capital expenditure – Rm	19,1	38,9
Tax and State's share – Rm	—	2,4
Dividends – Rm	4,0	16,1

Randfontein Estates

Operations

Operating profit for the year at R219,5 million was 24,4% higher than the R176,4 million achieved in 1981 and was the highest ever recorded by the company. Tax and the State's share of profits at R64,8 million were nearly double the amount (R34,9 million) paid in the previous year.

Net capital expenditure on mining assets amounted to R96,9 million, while R10,5 million (net) was repaid in respect of long-term loans. Earnings per share after tax and capital were 1 161 cents and a dividend of 1 100 cents per share was paid which absorbed R59,5 million. These and other appropriations resulted in a decrease in retained earnings by R0,9 million to R14,2 million.

Largely due to the reclamation of greater amounts of low-grade surface dump material, the tonnage treated for gold increased by 19,6% while the recovery grade was lower at 5,0 grams per ton. The mine produced 27 055 kilograms of gold, 14,2% more than in 1981.

As a result of the decision to terminate the mining and treatment of uranium ore at Randfontein section, the total tonnage treated for uranium was 11,4% lower, producing 462 837 kilograms of uranium oxide, or 21,8% less than in the previous year.

The fight to contain working costs in the face of continued high inflation has met with significant success as a result of marked improvement in labour productivity and stores consumption. Total costs amounted to R158,207 million, 5,2% higher than in 1981, while unit costs were 12% lower, largely as a result of the increased tonnage from surface sources treated for gold.

Cooke No. 3 Shaft

Construction and sinking at the No. 3 Shaft are well advanced and production is now expected to commence early in 1984, twelve months earlier than originally scheduled. This good progress has been achieved through the continual revision of planning and control of operations, the effectiveness of the mechanised drilling in shaft sinking operations and the enhanced development rates achieved by utilising the mid-shaft loading facility. The major factor has been the large amount of development advanced from No. 2 Shaft. The project has also benefitted by the absence of adverse ground and water conditions.

1 881 metres on the UEla Reef in the Cooke No. 3 Shaft area were sampled. While limited areas were of high grade, values for both gold and uranium were generally satisfactory. The UEla Reefs in this area usually comprise three or more distinct bands, all of which are prospected to determine the optimum horizon on which to develop raises. Much work has yet to be done to interpret the geological structure and the probable distribution of values in this section of the lease.

Treatment capacity for ore from the No. 3 Shaft area will be made available at the Cooke plant by diverting lower grade uranium ore from the Cooke No 1 Shaft to Millsite to be treated for gold only. This will reduce the urgency for the further expansion of facilities at Cooke plant in the short term.

Capital Expenditure

As a result of the lower gold price prevailing during the first half of the year, expenditure on capital projects was curtailed. However, with the improvement in the gold price the programme was again revised and expenditure reached R96,9 million by the end of the year.

Present estimates indicate that a similar amount will be spent during 1983. Of this expenditure approximately R42 million will be required for the Cooke No. 3 Shaft project.

Joint Venture

With a view to the long-term future of the company, an agreement has been concluded with the Johannesburg Consolidated Investment Company, Limited whereby your company will participate in a joint exploration programme aimed at determining new areas of gold and/or uranium potential in the Transvaal and Orange Free State.

Randfontein's share of expenditure in this regard in 1982 was R1,9 million and is estimated at R1,0 million for 1983.

Labour

The better utilisation of manpower continues to be influenced by the attitudes of employees and their organisations. A large amount of time and effort has been devoted by management to the development and implementation of an Industrial Relations Education programme which, through consultative committees, will assist in communication with all workers. Consultation with employee organisations has also been given more attention. As a result some advances have been made and with the imminent emergence of unions representing all employees it is expected that change will now be accelerated. A major advance has been made in this regard in respect of a non-discriminatory policy adopted in the indenturing of apprentices this year.

Outlook

The recovery in the gold price and the increased flexibility available in mining operations have allowed the company to continue with its expansion plans as well as to devote more attention to exploration for the long term.

As low grade material from surface dumps is replaced with underground ore, unit working costs can be expected to increase.

However, any such increase should be offset to some extent by the expansion of underground operations and further improvements in productivity. The increased gold price will make it possible to mill lower-grade ore from underground, including payable footwall bands, and as a result recovery grades are not expected to change significantly in the medium term as low grade surface dumps are depleted.

Evaluation of the area immediately north-east of the Cooke section where the company holds certain of the mineral rights has continued for a number of years and the point has now been reached where decisions can be taken. Feasibility studies indicate that at current gold prices the area could be profitably exploited if mined by this company as part of its own operations. This would require the agreement of all the other mineral right holders and to this end discussions to try and reach agreement on the financial arrangements have been initiated.

Johannesburg
22nd March, 1983

G. Y. Nisbet
Chairman

SUMMARY OF OPERATIONS

Year ended 31st December	1982	1981
GOLD		
Tons milled – 000's	5 411	4 525
Kilograms produced	27 055	23 679
Recovery grade g/t	5,0	5,2
Average price received		
U.S. \$ per ounce	371	471
Rands per kilogram	13 072	13 065
Revenue per ton milled: R	65,86	68,37
Cost per ton milled: R	29,24	33,24
Profit per ton milled: R	36,62	35,13
URANIUM		
Tons treated – 000's	2 967	3 351
Oxide produced – tons	463	592
Recovery grade – kg/t	0,16	0,18
FINANCIAL		
Profit from gold – Rm	198,2	159,0
Profit from uranium – Rm	19,2	15,3
Capital expenditure – Rm	96,9	103,9
Tax and State's share – Rm	64,8	34,9
Dividends – Rm	59,5	40,6

Elsburg Gold Mining Company Limited

Stockholders are referred to the review in respect of Western Areas Gold Mining Company Limited above.

Elsburg Gold Mining Company Limited
Western Areas Gold Mining Company Limited
The Randfontein Estates Gold Mining Company, Witwatersrand, Limited
(Incorporated in the Republic of South Africa)

Notice of annual general meetings and of closure of share registers

The annual general meetings of the above companies will be held on Monday, 25th April 1983, in the boardroom, Consolidated Building, Fox and Harrison Streets, Johannesburg, as follows:

09h15 Western Areas Gold Mining Company Limited followed immediately by Elsburg Gold Mining Company Limited

11h00 The Randfontein Estates Gold Mining Company, Witwatersrand, Limited

Any member of a company is entitled to appoint a proxy to attend the meeting of that company and to speak and to vote in his stead. A proxy need not be a member of the company.

The share transfer books and registers of members will be closed from 19th to 25th April 1983, both dates inclusive.

By order of the board
Johannesburg Consolidated Investment Company, Limited
Secretaries

per: D. J. Barrett

Head Office and Registered Office
Consolidated Building
Fox and Harrison Streets, Johannesburg 2001

Office of the London Secretaries
Barnato Brothers Limited
99 Bishopsgate, London EC2M 3XE

22nd March, 1983

Note: Copies of the Annual Report, will be provided on application to the London Secretaries, Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XE. Tel: 588 7011.

UK COMPANY NEWS

Assoc. Book up £1.55m—pays more

PRE-TAX profits of Associated Book Publishers totalled £5.62m for 1982, an improvement of £1.55m over the figures of the previous year. *All divisions returned better results.*

A final dividend of 4.5p effectively lifts the net total from 4.1667p to 6.5p per 20p *share after allowing for 1981's* two-for-one scrip issue.

The recession continued to affect the group's markets, particularly in Australia and Canada *where rapid deterioration* in both economies set in towards the middle of the year.

Turnover, however, expanded by £9.06m to £51.79m although it is pointed out that £2m of the increase was attributable to variations in exchange rates.

Trading profits for 1982 emerged at £5.6m, against a previous £4.24m. Thees were subject to an interest credit of £18,000, compared with a charge of £168,000.

Tax took more at £2.16m (£1.93m) and minorities accounted for *£714,000* (£506,000).

A divisional breakdown of group pre-tax profits shows: publishing £6.02m (£4.83m); book*selling and wholesaling £78,000* (£105,000 loss); and printing loss £48,000 (£210,000 loss). Group administration costs were litle changed at £428,000 (£443,000).

At the interim stage profits *amounted to £1.45m (£1.1m) and* although the directors expected trading conditions to remain difficult they anticipated a satisfactory increase in earnings *for the full year.*

At year-end group shareholders' funds totalled £13.3m after providing for the final dividend.

● comment

Legal publishing remains very much the backbone of Associated Book, representing some 40 per cent of sales and 70 per cent of profits in the UK. But the high*light of the strong 1982 advance* — shown after a £½m provision for bad debts overseas — was the release of a major scientific work, Dictionary of Organic *Compounds. Retailing at £950* this enabled the U.S. side to make a £612,000 turnround to its first profit. Reshaping pulled Australia from a very low level but upturn in Canada has been curbed by recession hitting retailing. Computerisation has transformed wholesaling and in publishing the database being created offers much scope for spinoffs, initially from the new scientific work. Overall input costs are showing a favourable trend but with no major new or *revised works due in 1983* and a tough fight likely in Canada and, particularly, Australia, the group will be stretched to mark time on profits this year. Long *term the outlook is for a return* to a more moderate growth rate compared with the past two years. Yesterday's better-than-expected figures pushed share price up 21p *to a record 238p. This puts the* historic p/e at 12.9 for a group that has the strength but not the declared intention, to make a sizable acquisition.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends *are interims or finals and the sub*divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Lucas Industries, W. Tyzack Sons and Turner.

Finals: A.C. Cars, Bambers Stores, Breedon and Cloud Hill Lime Works, Conder International, Desoutter Brothers, Gibbs and Dandy, Glanfield Lawrence, Grampian Holdings, Ibstock Johnsen, Magnolia (Mouldings). *Stanley Miller, Nu-Swift Industries,* Thurgar Bardex, Wankie Colliery.

FUTURE DATES

Interims—

Halstead (James)	Apr. 11
TSW—Television South West	Apr. 11

Finals—

Allebone	Apr. 22
Bramall (C. D.)	Apr. 18
Brook Street Bureau	Apr. 12
Carpets International	Apr. 27
Clarke (Clement)	Apr. 28
Finlan (John)	Apr. 13
Lyle Shipping	Apr. 8
Oilfield Inspection Services	Apr. 13
Scottish Mortgage and Trust	Apr. 21
Smith (W. H.)	Apr. 20
Stewart Wrightson	Apr. 7
Wood (Arthur)	Apr. 6

R. Cartwright

Door and window furniture maker *R. Cartwright (Holdings)* advanced from taxable profits of £683,000 to £891,000 in 1982 on higher turnover of £10.75m, against £8.69m.

The final dividend is being raised from 2.75p to 3.375p net per 10p share lifting the total to 4.625p (4p).

The outlook looks better than it has done for several years with all the group's companies working full time and in most cases with healthy order books.

Tax took £357,000 (£228,000).

Overseas side lifts Planet to £1.02m

AN UPLIFT in pre-tax profits from £692,000 to £1.02m at Planet Group reflects improved trading profits overseas offsetting a downturn in the UK. The dividend has been effectively raised and the directors report that a "firm start" has been made in *1983.* They anticipate that further progress will be made.

After sales of this manufacturer of windows and doors moved up *£5m to £30.8m, trading* profits came through higher at £1.4m against £1.03m. This breaks down as to: UK £29,000 (£311,000) and overseas £1.37m *(£716,000).*

Comparative figures have been restated.

The net final dividend has been effectively raised from 1.33p to 1.5p which raises the total from an adjusted 1.97p to 2.2p. Earnings per 10p share were given as rising from an adjusted 2.7p to 4p.

In the U.S., Creation Windows performed well despite a weak U.S. economy. To meet growing demand, a manufacturing subsidiary, Creation Windows of Georgia, was formed during the year.

Demand in Europe remained weak. The caravan industry in particular was depressed and several major manufacturers ceased to trade, severely affecting affecting Besnard and Planet S.A. *In spite of this, Planet S.A.* still achieved a satisfactory profit.

In the UK the two companies *supplying windows to the build*ing industry produced satisfactory profits but these were largely offset by losses made at Percy Lane and Hardall. These losses not being allowable as a deduction from overseas profits for tax purposes result in a high tax charge of 61 per cent.

Major management and operational changes have taken place at Percy Lane and there has been an encouraging improvement in order intake in recent months.

Pre-tax profits were struck after interest of £379,000 (£335,000). The charge for tax was broken down as to: UK credit £35,000 (charge £97,000) and overseas charge £654,000 (£356,000). Extraordinary reorganisation charges this time took £159,000.

Yearlings total £14.6m

Yearling bonds totalling £14.6m at 10¾ per cent at £99⅞ redeemable on April 4 1984 have been issued this week by the *following local authorities.*

North East Derbyshire District Council £0.5m; St Helen's Metropolitan Borough Council £0.5m; West Dorset DC £0.5m; Breckland DC £0.5m; Burnley BC £0.5m; Crawley BC £0.5m; Durham (City of) £0.5m; Llanelli (Borough of) £0.35m; Maldon DC £0.5m; Norwich (City of) £1m; *Rochdale Metropolitan BC £0.5m;* South Bedfordshire DC £0.5m; South Tyneside (Borough of) £1m; West Oxfordshire DC £0.25m; Dundee (City of) DC £0.5m; *Fife Regional Council* £0.5m; Central Regional Council £1m; West Yorkshire Metropolitan County Council £0.5m; Islington (London Borough of) £1.5m; Kingston upon Hull (City of) £1m; Newark DC £0.5m; Bolton Metropolitan BC £1m; Cambridge City Council £0.5m.

Exeter Building

Taxable profits of Unlisted Securities Market company Exeter Building & Construction Group advanced from £938,000 to £983,000 in 1982 on higher turnover of £33.9m compared with £25.44m.

The year's dividend of this construction industry concern is being raised from 4.875p (adjusted for scrip) to 7p net per 50p share with an increased final of 4.5p (3p adjusted). Tax took £122,000 (£141,000) leaving net profits of £861,000 (£797,000).

Home Counties

Following a jump at midway from £37,000 to £165,000 Home Counties Newspapers finished the January 1 1983 year ahead at *£238,000, compared with £45,000.*

Turnover was little changed at £10.9m (£10.57m) and the dividend is maintained at 5p net per 25p share with a final of 3.25p *(same).*

After tax of £129,000 (£28,000) earnings per share are shown as 4.38p (0.77p). The company's is a subsidiary of County Newspapers.

Walker & Homer

Pre-tax profits of furniture manufacturer Walker & Homer Group jumped to £341,868 for the half year ended January 31 1983, compared with a previous £23,592 giving earnings per 5p share of 2.55p, against 0.18p—there is again no tax charge.

Turnover went ahead from £7.45m to £10.37m and the directors say they expect the company's recovery trend to continue.

For the whole of last year the company suffered taxable losses of £176,741 (£141,055 profit).

Peel Holdings up

In the half-year to September 30, 1982, pre-tax profits at Peel Holdings improved from £48,000 to £114,000. Turnover of this property investment, development and management company rose from £100,000 to £263,000. No tax was again payable. The interim dividend is doubled to 2p net—last year's total was 4p from pre-tax profits of £98,000 (£96,000). Stated earnings per 25p share were 4.12p against 3.35p.

Largs, the parent company based on the Isle of Man, has waived its dividend rights on 1.95m shares.

Rotork boosts payout as profits pass £4m mark

PRE-TAX profits at Rotork improved from £2.94m to £4.14m during 1982. Second half profits improved by £1.12m to £2.56m. *The final dividend is raised from* 1.35p to 2.15p net for an increased total of 3.5p against 2.45p.

Turnover of this designer and manufacturer of valve control equipment, marine craft and machine tools, rose from £21.95m to £25.46m. The pre-tax figure included exchange differences of £88,000 against £201,000. There was a tax charge of £1.74m compared with £1.42m. Stated earnings per 10p share were higher at 11.9p (6.8p).

The directors say the controls division achieved excellent results during the year. They feel, however, that Rotork Controls will have to take a step back in both sales and profitability in 1983 due to the delayed effects of recession.

● comment

Rotork surprised even itself with the 46 per cent jump from *its six year profits plateau.* It came not from volume or price increases but a shift of product mix towards the higher value added end. But that was last year and a repeat performance cannot be anticipated. Apart from the oil industry, which is not exactly in an expansive mood at the moment, most of the group's sales go to Government agencies around the world, chiefly power generation and water and sewage treatment. With no new U.S. power station building seen in the current year and water and sewage not figuring high on anyone's priorities the company's profit warning for the year is not without foundation. New products will take time to establish themselves so the emphasis will *remain very much on the exist*ing attenuator lines which retain market share and where there may be some room for price increases. Weak sterling *should help the UK side but* a persistently strong dollar would be bad news for exports from the U.S. manufacturing base. However, yesterday the shares basked in the *forecast-beating* result to show a 4p rise to a best-ever 78p to yield 6.7 per cent.

Yorks. Chemicals back in profit

Yorkshire Chemicals moved back into the black for the 12 months ended December 1982, returning profits of £244,000 at the pre-tax level, against a loss of £1.66m previously.

As anticipated in the interim statement the group showed improved results over the second six months compared with the first half — the *surplus* for the period emerged at £619,000.

And despite adverse trading *conditions,* it has started to advance strongly in most product and geographic areas. The higher levels of activity achieved in second half are continuing in the opening months of the current year and the directors are confident that the group will achieve further improvements in marketing effectiveness and operating efficiencies during 1983.

A dividend of 1p net is being paid for 1982, double that of the previous year. Earnings per 25p share came through at 0.5p, against a loss of 13p.

Turnover moved ahead from £18.95m to £19.85m and at the *trading level* the group, a manufacturer of dyes and tanning materials, returned profits of £2.02m (£172,000 loss).

The pre-tax figures were struck after deductions of £1.13m (£1.11m) for depreciation and £653,000 (£557,000) for net interest charges. Exchange gains added £1,000 (£181,000).

Tax took £164,000 (£78,000) but movement in provision for unrealised exchange gains and losses added £216,000 (£302,000), leaving an available surplus of £296,000, compared with a deficit of £1.44m.

The directors say the sharp turnround from loss to profit was primarily a consequence of higher sales and production volumes.

Output was significantly greater than in 1981, a year affected by short time working, giving rise to financial benefits in terms of higher yields and improved labour and overhead recoveries.

The group's balance sheet remains strong. Although stocks were increased during second half to service the rising level of sales, net short-term borrowings remain small in relation to available facilities.

Watts Blake ends lower

A DECREASE in pre-tax profits from £3.66m to £3.17m has been shown by Watts, Blake, Bearne and Company for 1982. After an improvement halfway, second half profits were down from £1.93m to £1.25m. The dividend however is being lifted, and the directors expect an improvement in sales volume.

At the halfway stage the directors said that a decline in trading would inevitably affect second half profits.

The final dividend is being lifted from 2.22p net to 2.35p, which improves the total from 3.57p to 3.75p. Earnings per 25p share on a net basis were given as 10.53p (12.55p).

Sales amounted to £24.74m (£24.28m).

The directors say that the performance of this extractor of ball and china clay during the recession has confirmed its resilience. It is now in "excellent shape" to resume the pattern of growth as soon as conditions permit.

The building ceramics, in which the company's clays are largely used, are required towards the end of the building cycle. In a number of the company's main markets, particularly those bordering the Mediterranean, construction remains depressed. The volume of sales cannot be expected to improve significantly until this trend is reversed. It now appears that this is about to take place.

Pre-tax profits were struck after higher depreciation of £2.12m (£1.95m) and interest ahead from £38,000 to £84,000. There was a post-invoice currency loss of £2,000 (gain £18,000).

Extraordinary debits fell from £197,000 to £181,000. Attributable profits emerged down from £1.89m to £1.57m.

UK COMPANY NEWS

Stothert & Pitt shows loss

AFTER MOVING back into the black in the second half of 1981-1982 Bath-based engineer Stothert & Pitt ran up losses again during the six months ended December 31 1982.

At the pre-tax level the group incurred a loss of £196,000 which compares with a deficit of £529,000 for the same period last year and a surplus of £256,000 for the six months to end-June 1982.

The interim figures were struck after taking account of much lower interest charges of £331,000 (£554,000) and depreciation of £193,000 (£185,000).

Turnover edged ahead from £11.48m to £11.77m, and trading profits came through at £135,000, compared with £25,000.

There is again no interim dividend—the last payment was 1p net for the 1979-80 year.

At the AGM last December, Sir Ralph Bateman said the group had made substantial progress and that subject to uncertainty of future demand for the contractors' plant division, there was some justification for believing that it would maintain the improving trend—the group incurred losses of £2.26m in 1980-1981.

● comment

Stothert & Pitt has become accustomed over the past few years to thin times at the interim stage as crane deliveries have tended to bulk together in the second half. So it is no surprise that the company slipped back into the red after making a small profit in the second half of its last financial year. But it *still* appears to be winching itself gradually out of recession by dint of cutting costs and overheads, reducing pre-tax losses by 63 per cent against the previous interim. The payment of £1.5m overdue funds from Saudi Arabia has also *helped S&P achieve a 40 per cent* reduction in its interest bill. Markets for contractors' plant and general engineering products remain in the doldrums, but demand for offshore cranes is showing signs of picking up following the budget's relaxation of the North Sea tax regime. Outside the UK, the company has won its first-ever order for the Norwegian sector of the North Sea, which will add around £3.5m to turnover when payments come due in 1983-84. The share price was unchanged at 66p; less than a quarter of S&P's net assets per share.

Magnet & Southerns

The rights offer of 19.9m new ordinary shares by Magnet & Southerns has been taken up as to 94.2 per cent, and the remainder have been *sold* at a premium.

Babcock profits expand by 45.6% to £20.5m

THERE WERE strong improvements in the trading profits of a number of the operating groups at Babcock International, power, mechanical, industrial and electrical concern, but the overall result for 1982 was impaired by losses in the North American group, the FATA *group* and the construction equipment business, which was sold during the year.

However, at the pre-tax level the result expanded by 45.6 per cent from £14.07m to £20.49m, while turnover *reached* the £1bn mark, against £955.8m.

Lack of sales volume from progressively shrinking *markets* was the main cause of the downturn in profitability in the North American group, although the trading loss largely reflects the costs of action taken to rationalise and reorganise some of the facilities.

Profitabilty was similarly lower in all the principal *operations* of FATA, partly due to reduced margins on work taken against fierce competition, but more significantly as a result of the collapse of their French markets, the directors point out.

They state that the sale of the construction equipment businesses constituted the *major feature of the plans to rationalise* the activities of the group in 1982.

The sale was completed on October 1 1982, and on that date, Babcock received £9.3m cash as part payment on account. In addition, bank borrowings, by the construction side, *totalling* £20.5m, ceased to be a direct liability of the group.

Directors give estimated losses of £10.3m, charged as extraordinary items, on the sale, which include £3.9m in respect of goodwill written off, and £3.7m in respect of redundancy payments and the costs of implementing a reorganisation programme, planned prior to the sale.

Total extraordinary debits for 1982 amounted to £16.56m (£1.77m), which after tax and minority interests, left the group with an attributable loss of £4.37m, compared with profits of £6.01m.

Earnings per share are shown as 11.1p (6.1p) and the dividend is maintained at 7p net with a same-again final of 3.6p.

After charging £4.56m (£3.47m) redundancy and reorganisation costs trading profits for the year were just ahead at £28.43m, against *£27.56m.*

A divisional analysis of turnover and the trading surplus shows: UK power group £216.68m (£197.39m) and £15.51m (£10.68m); mechanical and process plant contracting £80.94m (£65.4m) and £4.36m (£4.29m); industrial electrical products £137.82m (£127.58m) and £9.74m (£6.69m); overseas group £216.26m (£183.75m) and £5.48m (£1.56m); North American group £239.01m (£226.26m) and £2.09m loss (£2.63m profit); FATA European group £60.96m (£57.94m) and £628,000 loss (£3.63m profit); group miscellaneous income £395,000 (£878,000), making continuing operations £951.67m (£858.31m) and £32.77m (£30.36m); discontinued operations £50.53m (£97.49m) and £4.35m loss (£2.79m loss).

The value of uncompleted orders on hand at start of 1983 *totalled £1.36bn*, compared with an opening position last year of £1.32bn, which included £14m of orders for the businesses of Acco's industrial products group and the construction equipment group disposed of during 1982.

Several of the company's businesses entered 1983 with a substantially higher proportion of their turnover for the year secured by firm orders than at outset of 1982, directors say.

All the boiler-related businesses have sufficient work on hand to carry them through the current year, but UK power group needs to receive another major contract to improve the loading of the Renfrew factory in 1984, they point out.

Order books of the mechanical and process plant contracting group and the Fata group improved significantly in 1982 and the contracting companies, other than the operations in North America, generally have an adequate work load.

With the eception of the process control and instrumentation operations, prospects for the businesses of the industrial and electrical products group "appear reasonably good." Babcock-Bristol has a record high order book, but a large proportion of this work falls to be completed in 1984 and later.

Recession in the U.S. caused a reduction of 43 per cent in order books of the North American group during 1982. Their markets continued in decline almost to the end of the year. However, in December and again in January and February this year, there was an encouraging improvement in order intake.

In particular, the cable controls division and Keeler Brass Company enjoyed a significantly higher call-off rate from the *American automobile manufacturers* in these months.

In view of the financial crisis in Mexico and the continuing uncertainty in that country, the directors considered it prudent to write off completely the investments in Babcock Mexico SA de CV and its principal subsidiary, Babcock and Wilcox De Mexico SA de CV, and to make full provision in the 1982 accounts for group's total exposure to the Mexican companies.

Formal devaluations of the peso, followed by the imposition of full exchange controls and a continuing decline in the value of the currency, "caused serious difficulties for the Mexican companies," directors state.

In May 1982, the group provided financial assistance to these companies to alleviate immediate strains on their resources resulting from the first currency devaluation. Since then, however, conditions in Mexico generally have deteriorated further. The loss taken into account totalled £10.1m of which approximately £1m has been charged against trading profit in respect of provisions for the non-recovery of trading balances, £4.7m has been treated as extraordinary items and £4.4m, representing the exchange losses on the investments, has been deducted directly from retained earnings.

On August 20 last, a credit agreement was signed providing Acco Babcock Inc with a revolving credit facility and an irrevocable letter of credit to support issues of commercial paper notes in the American money market. Aggregate amount of credit available at any one time under these two facilities is $35m. At the end of 1982, sums totalling $29.2m had been drawn against these facilities and used to repay more costly short term bank borrowings of Acco Babcock Inc.

During the past two years, the net amount of external funds employed in the group has been reduced by £70.5m. While a *significant reduction in interest* charges has already been achieved—down from £17.51m to £13.55m—full benefits have still to flow through.

Contrary to the company's expectations, cash flow in 1982 did not benefit from long outstanding amounts due on the Buwayb contract in Saudi Arabia, directors point out. Although the *Minister of Agriculture* and Water has approved payment, the monies have still not been released by the Treasury.

● comment

Babcock's 45.6 per cent increase in pre-tax profits on a mere 4.8 per cent rise in turnover reflects the benefits of three years of costly rationalisation, which saw the number of employees shrink from 38,000 to 26,400 at the end of 1982. The market was impressed, marking the shares up 5p to 138p. Write-offs during the year included £4.5m charged against trading profits, leaving the *rationalisation programme* nearly complete. All that remains to be disposed of is the FATA company in Brazil, with a little dead wood to be snipped out of its French counterpart and the U.S. materials handling operations. The group's markets were uninspiring, particularly in North America, where dollar turnover slipped 11 per cent, leading to a £2m trading loss. Orders have picked up since the year end on the back of an upturn in the U.S. car industry, on which a third of Babcock's U.S. turnover depends. Taking out exceptionals and losses from discontinued operations, the group made nearly £30m pre-tax—the very minimum analysts' expect from 1983. The main cloud on the longer term horizon is the major power contract Renfrew needs to improve its loading in 1984. Gearing has eased *substantially to 27 per cent* thanks to more stringent cash management.

Interim jump for A. B. Electronic

FOR THE half year ended December 31, 1982 A. B. Electronic Products Group, electronic component and systems manufacturer, has boosted pre-tax profits from £303,000 to £806,000 and lifted the interim dividend from 2.5p to 3p net per 25p share.

With an improved overall order position, the second half is expected to show further progress.

Sales to external customers expanded to £16.55m (£11.9m) for the six months, compared with £25.69m for the whole of the previous year when pre-tax profits amounted to £1.3m. Total dividend for 1981-82 was 7.5p.

In the UK, systems and instrumentation *sales showed a sharp* upward trend and the manufacture of Acorn BBC microcomputers benefited substantially from the market success of the product. Traditional components business remained depressed, the directors state, with the exception of connectors for defence.

The directors say that capital expenditure has been stepped up. A 25,000 sq ft factory has been rented near Newport, Gwent, for the new Jaguar car project and other systems work. An additional building is being occupied at Camberley to extend Kenure Developments' work in defence, and it is planned to rent another factory in mid-Glamorgan to rehouse the Wolsey activities in Satellite, Cable TV and allied fields.

Pre-tax figure for the six months was after depreciation of £568,000 against £572,000 and interest paid of £207,000 *(£241,000).*

Net profits came through at £475,000 (£207,000) after tax of £331,000, compared with £96,000 giving basic earnings per share of 11.2p (5.1p)

Spirax-Sarco ahead to £8.5m despite downturn overseas

INCLUDING greater interest received Spirax-Sarco Engineering showed an increase of 15 per cent in pre-tax profits from £7.35m to £8.5m for 1982. The dividend is being lifted and Mr A. C. Brown, chairman, says that the U.S. may be emerging from recession which would benefit the group's overseas interests.

Interest receivable amounted to £1.08m against a previous charge of £25,000.

At the trading level, gains in UK profits from £3.41m to £4.17m were offset by a *fall* in overseas profits from £3.96m to £3.26m. Mr Brown says that in the second half UK trading conditions continued to decline. The rest of the world, led by the U.S., was also on a downward trend.

The net final dividend is being lifted from 3p to 3.3p, making a higher total of 5p against 4.7p. Earnings per 25p share rose from 11.8p to 12.3p, before extraordinary items.

Turnover was almost 12 per cent up in sterling terms says *Mr Brown, at £47.84m (£42.83m).* The geographical split moved further overseas, the UK accounting for 41.5 per cent of invoiced sales (42.8 per cent). Overseas profits declined reflecting difficult trading conditions. Comparison of overseas turnover and *profits is slightly* affected by the reduction in sterling exchange rates.

Mr Bown says that the U.S. may now be emerging from its recent period of recession. The rest of the world should follow which would benefit the group.

Trading profitably under the present market conditions it is evident that increased volumes of business in a recovery would improve group profits significantly, says Mr Brown.

An important step for the group is the proposed acquisition *of the Sarco division of White* Consolidated Industries of the U.S.—announced on March 3.

In the UK, order intake of Spirax-Sarco, which had briefly strengthened early in 1982, weakened, leaving the total for the year similar to last year. *Drayton Controls (Engineering)* showed a small increase, which was "excellent" under the prevailing conditions.

Group tax amounted to £3.64m against £3.06m, which included a UK charge of £2.39m (£1.36m). There was a deduction of £65,000 *this time to a share ownership* scheme, and minority profits came to £204,000 (£115,000). Extraordinary debits were £87,000 compared with previous credits of £184,000. Attributable profits emerged ahead from £4.36m to £4.5m.

● comment

Despite difficult trading conditions, Spirax-Sarco has managed to generate sufficient cash over the past 18 months to top up its short-term deposits to £11.6m. The bulk of the cash pile was raised by a rights issue in mid-1981 and, since then interest received has added lustre to the group's pre-tax profit performance. But this year Spirax has found an alternative for its funds in the shape of the proposed £20m acquisition of the U.S.-based Sarco division of *White Consolidated Industries.* The takeover, which has yet to be approved in terms of U.S. antitrust legislation, could add 30 per cent to Spirax's annual turnover and more than 40 per cent to overall trading profits. This time, however, the Sarco *division will not contribute for* the full year. Additional borrowings this year will present no problem, since year-end gearing was a low 11 per cent. But the cash pile will be used to partly fund the acquisition and the gloss provided by interest receipts will disappear. Even so, Spirax's fluid control business has proved resilient against the recessionary background of recent years and the trading performance is likely to remain sound. The bright results pushed the shares up 2p to 210p for a fully taxed historic p/e of 18.9 *and a yield of 3.5 per cent.*

Bridon setback: dividend cut

HIT BY a sharp downturn by its North and South American activities pre-tax profits of Bridon plunged to £5.1m for 1982, a drop of £3.1m on the revised figures of the previous year.

A better profit performance is expected in the current year, but with no certain pointers emerging from the results of the early months of 1983 the directors believe it prudent, taking all factors into account, to recommend a final dividend of 1.5p, which reduces the net total by 0.5p to 3p per 25p share.

They say 1982 proved to be an extremely difficult year, with exceptionally strong management effort being exerted to contain the two major problems of the group, the devaluation of the Mexican peso and the acute economic recession in North America.

The "most welcome feature" was a 75 per cent improvement in UK profits before interest over 1981. Outside the Americas, overseas results as a whole were better than those of the previous year, mainly due to a continued improved performance in the Pacific region.

In the UK, although profits were down in the second half owing to seasonal factors and market conditions, the beneficial effect of rationalisation and reduced employment costs will be more fully reflected during the course of 1983.

Overseas, any recovery in North American industrial demand and a strengthening of the Mexican economic situation would improve results.

Group turnover for 1982 was little changed at £256.1m (£261.9m) but trading profits emerged well behind at £12.6m, compared with £16.5m — Bridon manufactures wire, wire rope, fibre and plastic products. It also has interests in engineering.

A divisional breakdown of UK trading profits shows: steel £5.9m (£5m), fibres and plastics £0.1m loss (£0.5m loss), and engineering £0.2m loss (£1m loss). A geographical breakdown of overseas trading results shows: Americas £3.4m (£10.1m), Africa £0.2m (£0.1m), S.E. Asia, Australia and New Zealand £2.2m (£1.5m) and Europe £1.2m (£1.6m).

The pre-tax result was struck after deducting £3.2m (£3.6m) for net interest charges and £1.8m (£1.9m) for Mexican exchange losses and adding a £3.5m (£4.6m) share of associate profits.

Tax took £2.5m (£4.8m). Below the line minorities accounted for £0.5m (£0.7m) and extraordinary debits £4.6m (£4m). Available loss emerged at £1.5m (£1.3m) and after dividend payments of £1.6m (£1.9m) there was a deficit of £3.1m (£3.2m) taken to reserves.

Stated earnings per share pre-extraordinary items totalled 5.7p (4.5p) on a net basis, and 6.56p (6.34p) on a nil basis.

CCA adjustments resulted in a pre-tax loss of £3.9m, against a profit of £1.4m.

● comment

A change in Bridon's accounting policy has given rise to a restatement of the 1981 profit figures. But there is no disguising the fact that the company has just emerged from one of the hardest years in its recent history. The 75 per cent improvement in UK profits was more than offset by a slump in the Americas and a small decline in the European contribution. Mexico, which contributed £4½m pre-tax in 1981, barely broke even (after interest) last year and the steep devaluation of the peso has lopped £7.8m off Bridon's total shareholders' funds. Although some pick up in activity is expected, the cost of servicing dollar borrowings in Mexico seems likely to inhibit a return to profitability. U.S. and Canadian operations remain depressed and so far order books have not reflected any uptick in volumes. Major rationalisation in the UK has trimmed plant capacity by over 40 per cent and the movement to better margins at the high technology end of the wire business has improved profitability. Despite the dividend cut, investors marked the share up 9p to 4p for a 10.2 per cent historic yield. Given the uncertainty in the Americas, the yield rating of more than twice the sector average seems justified.

Allied Residential's £1.4m cash call: losses hit £2m

HEAVY second-half losses of £1.79m were incurred by Allied Residential, the troubled housebuilding group, and figures for the 52 weeks to December 31, 1982 showed losses of £2.12m. In the previous 42-week period, the group had profits of £114,782.

The company's shares have been suspended since December 9, when it was announced that a deal was pending with Taddale Investments. Under the terms of the deal, Allied would acquire from Taddale a property portfolio for £2.78m to be satisfied by the allotment of almost 20m shares in Allied.

Allied's 1981 profits fell short of its share placing forecast and announced a pre-tax loss of £334,000 for the six months to June 30, 1982.

In order to inject more cash into its balance sheet, a rights issue to raise approximately £1.35m has been proposed.

As a result of a deficit on reserves in Allied's balance sheet, a capital reduction scheme should be effected, and the board proposes cancelling the share premium account to the extent of £2.2m.

Meanwhile, on March 24, contracts were exchanged for the sale to a company controlled by Mr S. J. Crossley of ordinary and deferred shares of Ermine Securities, a subsidiary of Allied, for £25,000.

Under the terms of this agreement, Mr Crossley will be resigning as a director and company secretary of Allied on completion and payment to him of £25,000 as compensation for loss of office.

Group turnover for the year was £5.91m (£2.07m, 42 weeks). Allied suffered an operating loss of £737,726 (profit £318,066). Interest charges were substantially higher at £713,138 compared with £203,284. There was an e xceptional debit this time of £668,704.

Tax took £18,286 this time. There was an extraordinary debit of £179,566 (credit £63,357). Against earnings per share of 1.53p in 1981, there was a loss per share of 21.38p.

RESULTS AND ACCOUNTS IN BRIEF

MICRO BUSINESS SYSTEMS (computer terminals, micro computers)—Results for 1982: First dividend 1p, pre-tax profits £821,000 (£250,000)—forecast of £750,000—and directors say current year has started well. Turnover £8.72m (£2.66m). Earnings per share 13.4p (5.2p). No tax, and after extraordinary credit £68,000 (nil) attributable profits £843,000 (£250,000).

MONTAGU BOSTON INVESTMENT TRUST—Dividend 1.25p (same) for year to January 31 1983. Revenue £99,000 (£171,000) after tax of £126,000 (£185,000). Net asset value per 10p share 69.25p excluding any warrants subscription.

PARK PLACE INVESTMENTS (financial training, publishing, HP and leasing)—For first half to December 31 1982: interim dividend 2p net (1.75p) per 10p share; stated earnings per share 5.1p (4.2p); turnover £3.63m (£2.94m); trading profits £814,000 (£577,000); interest payable £284,000 (£137,000); pre-tax profits £530,000 (£440,000); tax £186,000 (£153,000); attributable profits £344,000 (£287,000).

BEN BAILEY CONSTRUCTION—Interest dividend 0.4p (0.25p): Turnover £3.026m (£2.015m) for half-year to December 31 1982. Group profit £76,249 (loss £18,661) after all charges including tax £18,857 (£5,588). Earnings per share 1.44p (loss 0.36p).

HADSON PETROLEUM INTERNATIONAL—After tax and the carry forward of £11,000 of profit from 1981, there is a net loss of £57,000 at the 1982 year end. Balance sheet shows current assets £9.19m against liabilities £433,000 with a provision for a further £200,000 potential tax liability. As of this date, current assets are £9.5m against liabilities of £211,000.

TELFOS HOLDINGS (manufacturer of non-ferrous metal products)—Pre-tax profits for 1982, £311,000, after interest charges of £288,000. Sales £8.55m. Tax £22,000. Basic earnings per 20p share 6.1p, and 5p fully diluted. Final dividend 0.7p for a total of 0.98p (nil). Directors say second half results showed continuing benefit from cost cutting measures taken previously. Trading conditions in the current year are quiet, but all subsidiaries continue to trade at a profit.

TRUST SECURITIES HOLDINGS—Second interim 1.25p, making same-again net total of 1.96875p for year to November 30, 1982. Turnover £15.17m (£11.07m), pre-tax profit £1m (£1.22m). Tax £36,000 (same). Goodwill written off £484,000 (£1m). Earnings per share pre-goodwill written off 14.25p (17.47p) undiluted and 3.56p (4.37p) fully diluted.

SPONG HOLDINGS (houseware and filter manufacturer, printer).—Pre-tax loss for 1982, £101,937 (£73,384). Sales £1m (£1.1m); trading profit £1,476 (£74,379); interest £81,081 (£107,537); exceptional debits £22,332 (£40,126). No tax (same). Extraordinary debits £104,808 (£77,967) Attributable loss £206,745 (£151,251) Contracts have been exchanged for the purchase of Bacchante, importer and distributor of bar accessory products. Bacchante had pre-tax profits of £49,310 on sales of £233,422 in 1982.

MARTIN-BLACK (manufacturer of steel wire ropes)—Results for 1982 already known. Group shareholders' funds £4.4m (£4.75m). Net current assets £2.78m (£2.55m). Working capital increased £235,000 (£191,000 decrease). Meeting, Coatbridge, Lanarkshire, April 22, 12.30 pm.

TACE (electronic, electrical engineer)—Results for year ended Sptember 30 1982 reported February 18. Shareholders' funds £3.7m (£2.8m); net current assets £1.52m (£155,000 liabilities); net borrowings increased by £547,000 (£119,000 decrease). Chairman looks forward to reasonable increase in profitability for year as a whole. Meeting, Essex St., WC, April 19, 3 pm.

MEMEC (MEMORY AND ELECTRONIC COMPONENTS) (electronic components distributor)—Results for 1982 reported March 23. Shareholders' funds £3.45m (£2.82m); fixed assets £638,000 (£662,000); net current assets £2.84m (£2.2m); increase in working capital £457,000 (£1.82m) including decrease in net liquid funds £626,000 (£1.56m increase). Meeting: Hotel Russell, WC, April 20, noon.

NORFOLK CAPITAL GROUP (hotelier)—Results for year to September 30 1982 and prospects reported March 21 1983. Group fixed assets £16.49m (£13.61m). Current assets £0.82m (£1.46m). Current liabilities £3.64m (£5.84m) including bank overdraft—secured £1.59m (£3.81m). Medium term bank loan—secured £3.25m (nil). Shareholders' funds £9.57m (£8.56m) Meeting, Royal Court Hotel, SW, April 19, 2.30 pm.

ANGLO NORDIC HOLDINGS (engineering, property)—Results for 17 months ended November 30 1982 already known. Net current assets £316,000 (£1.09m as at June 30 1981); shareholders' funds £4.14m (£1.09m); decrease in net liquid funds £203,000 (£277,000 increase). Meeting, Savoy Hotel, WC, April 29, noon.

BLAGDEN INDUSTRIES (containers and plastic mouldings)—Results for year to December 28 1982 reported March 1. Shareholders' funds £14.57m (£14.02m); fixed assets £12.92m (£13.52m); net current assets £9.38m (£9.39m); increase in working capital £402,000 (£598,000 decrease) including decrease in liquid funds £255,000 (£1.02m). Meeting: Connaught Rooms WC, April 14 noon.

SCHRODERS (banking, finance, insurance)—Results for 1982 reported March 10. Total assets £3.14bn (£2.77bn). Deposit and other accounts, including inner reserves and provisions for tax £2.61bn (£2.34bn). Acceptances for customers £346.99m (£268.88m). Loans, advances and other accounts £1.28bn (£1.01bn). Meeting, 120, Cheapside, EC, April 27 at 12.15 pm.

SEDGWICK GROUP (insurance and reinsurance broking)—Results for 1982 reported March 11 1983. Shareholders' funds £121.82m (£96.22m). Property and equipment £73.36m (£52.56m). Net current assets £14.51m (£13.67m). Net assets of insurance companies £30.21m (£20.65m). Increase in funds £26.35m (£52.97m)

MINING NEWS

Randfontein's new gold area

BY KENNETH MARSTON, MINING EDITOR

THE South African gold and uranium-producing Randfontein Estates has a new mining prospect on the north-eastern side of its Cooke mine. In the annual report Mr George Nisbet, the chairman, says that at current gold prices the new area could be profitably exploited as an extension of the company's existing mining operations.

He points out that this will require the agreement with the other holders of mineral rights to the area. Accordingly, discussions to try to reach agreement on the financial arrangements have been initiated.

Randfontein has also concluded an agreement with the parent mining finance house, Johannesburg Consolidated Investment, for a joint gold and uranium exploration programme in the Transvaal and Orange Free State. Randfontein's share of the costs last year was R1.9m (£1.2m) and this year it will be R1m.

On the subject of gold, Mr Nisbet says that because of the high level of speculative activity on the gold futures markets sharp fluctuations in the price may be a permanent feature and "gold producers will have to adapt their policies accordingly."

He thus feels that the marginal producers will have to play safe and try to get an acceptable level of revenue rather than take the risks associated with a volatile gold price. Western Areas, of which Mr Nisbet is also chairman, is taking this line by selling its production forward at a "safe" price and has now sold forward the major part of its 1983 output.

Among other annual reports, the Gencor group's St Helena expects little change in its gold output this year. Mr Ted Pavitt, the chairman, points out that the planned increase in mill throughput will compensate, temporarily, for the lower gold values as mining extends into the lower grade areas.

Both Mr Pavitt and Mr Johan Fritz, chairman of West Rand Consolidated, expect a steady increase in gold prices ahead of inflation in the short to medium term. At a gold price of about $400 per ounce, West Rand Consolidated is expected to remain viable despite the withdrawal of State assistance from the beginning of this year.

Mr C. R. Netscher, chairman of Grootvlei says that the new carbon-in-pulp plant is now being commissioned and the mine is set to raise monthly milling capacity from last year's average of 139,000 tonnes to 185,000 tonnes as from the second quarter of this year.

Grootvlei is thus assured of a higher gold production in 1983. Stilfontein, on the other hand, is expected to produce slightly less as a result of declining gold values and the need to optimise the remaining life of the mine.

Finally, Mr J. Ogilvie Thompson chairman of the major South African gold share holding company, Anglo American Gold Investment (Amgold) stresses his belief that "gold will continue to justify the assurance it offers in a troubled world." He adds that the gold mining industry's major problems are the need to contain costs and improve productivity.

State aid phase-out comes as no surprise

THE South African Government's decision to phase out state assistance for needy gold mines was widely expected by the industry ahead of yesterday's Budget speech announcement by Mr Owen Horwood, the Finance Minister, reports our Johannesburg correspondent.

At the moment, however, none of the qualifying mines has any call for state aid at the current level of gold prices. The eight mines concerned will be given on January 1 next year the statutory six months' notice of termination of the aid scheme which will thus take effect on June 30, 1984.

In the meantime, and with effect from the tax years which start on, or after April 1, 1983, the state assistance scheme will be modified. Until it ends, only the gold mines which make losses will receive aid and that will be limited to the losses incurred in mining operations.

Public Works Loan Board rates

Effective March 30

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Up to 3	11	11⅛	11¼	12⅛	12¼	12½
Over 3, up to 4	11⅛	11⅜	11⅝	12⅜	12½	12⅝
Over 4, up to 5	11⅜	11½	11⅞	12⅜	12½	12½
Over 5, up to 6	11½	11⅝	11⅞	12½	12⅝	12½
Over 6, up to 7	11⅝	11¾	11⅞	12½	12⅝	12½
Over 7, up to 8	11⅝	11⅞	11⅞	12½	12½	12½
Over 8, up to 9	11⅝	11¾	11⅞	12½	12⅜	12½
Over 9, up to 10	11⅝	11⅞	11⅞	12½	12⅜	12½
Over 10, up to 15	11¾	11⅞	11¾	12⅜	12¼	11⅞
Over 15, up to 25	11¾	11¾	11¼	12	11¾	11⅞
Over 25	11½	11⅝	11	11⅞	11¾	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

SVENSKA CELLULOSA AKTIEBOLAGET SCA

9 per cent Convertible Subordinated Bonds 1998

NOTICE TO BONDHOLDERS

Svenska Cellulosa Aktiebolaget SCA (the "Company") will, subject to approval by an Extraordinary Shareholders' Meeting on April 11, 1983, make a rights issue of 7 per cent subordinated notes due 1993 (the "Notes"), denominated in Swedish Kronor and, at the option of subscribing shareholders, either convertible into B shares of the Company or provided with detachable warrants evidencing the right to subscribe for B shares of the Company at a fixed price for ten years (the "Ten Year Warrants"). The nominal value of each Note will be SKr 410, which, subject to adjustment in certain events, will also be the conversion price of convertible Notes and the striking price of the Ten Year Warrants. In addition, each Note of nom. SKr 410 will be provided with one detachable warrant, ten of which will entitle to subscription for one B share of the Company for five years at a fixed price of SKr 700, subject to adjustment in certain events.

Shareholders of the Company of record as per close of business on April 11, 1983 will have the right to subscribe for one Note for every fourteen shares held.

In order for shares arising upon conversion of the Company's outstanding 9 per cent Convertible Subordinated U.S. dollar Bonds 1998 (the "Bonds") to entitle to participation in the rights issue, such conversion must become effective not later than April 11, 1983, the record date for the rights issue.

The conversion price applicable to the Bonds as from April 12, 1983 may be subject to retroactive adjustment in accordance with Condition 3 (g) (5) (A) of the Bonds. Such adjustment, if any, will be determined at the close of the subscription period with respect to the Notes, April 26 to May 31, 1983, and Bondholders will be given notice during the first week of June 1983 of the conversion price applicable as from April 12, 1983.

Sundsvall, March 28, 1983
The Board of Directors

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	134	– 1	6.4	4.8	7.6	10.2
158	117	Ass. Brit. Ind. CULS...	150	– 1	10.0	6.7	—	—
74	57	Airsprung Group	63	—	6.1	9.7	18.0	18.0
46	32	Armitage & Rhodes.......	32	—	4.3	13.4	3.8	8.3
314	197	Bardon Hill	314	—	11.4	3.6	13.2	18.6
137	100	CCL 11pc Conv. Pref....	137	—	15.7	11.5	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
88	52	Deborah Services	52	—	6.0	11.5	3.4	9.3
92	77	Frank Horsell	92	—	—	—	7.7	8.2
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.9	12.3
100	74	Ind. Precision Castings	78	+ 1	7.3	9.4	10.0	12.6
158	100	Isis Conv. Pref.	157	—	15.7	10.0	—	—
143	94	Jackson Group	143	—	7.5	5.2	4.4	9.3
202	111	James Burrough	202	+ 1	9.6	4.8	14.7	16.4
260	148	Robert Jenkins	148	—	20.0	13.5	1.6	23.5
83	54	Scruttons "A"	70	—	5.7	8.1	9.1	10.9
167	112	Torday & Carlisle	112	—	11.4	10.2	5.0	8.6
29	21	Unilock Holdings	25½	– ½	0.46	1.8	—	—
85	65	Walter Alexander	85	—	8.4	9.8	4.6	6.7
270	214	W. S. Yeates	270	—	17.1	6.3	4.2	8.6

Prices now available on Prestel page 48146.

UK COMPANY NEWS

Slide into loss at Rolls-Royce

AERO ENGINE manufacturer Rolls-Royce slumped from taxable profits of £18m to losses of £91m in 1982, after a £42m surge in research and development costs to £131m, and interest charges of £47m, against none last time. Turnover of this state-owned engineer edged ahead from £1.44bn to £1.49bn.

Net losses emerged at £134m — compared with £3m — following tax of £4m, minority interests of £1m and net restructuring costs of £38m (£17m).

Lord McFadzean, chairman, says the recovery in the U.S. economy, widely predicted for second half of 1982, did not materialise, and Western Europe remained depressed. With few orders being placed for new civil equipment, and with surplus aircraft overhanging the market, the short-term outlook for aerospace industry continues to be bleak.

While the longer-established engines, such as the Spey, the Dart, the Viper and the Adour, remain substantial and profitable businesses, as do the Pegasus and RB199, Rolls-Royce was geared up to produce, in the early '80s, more than 300 large fan engines of the RB211 type each year.

Estimates have been progressively revised downwards, and the latest forecast is that less than a quarter of this figure will be produced in 1983.

The lack of demand for large civil engines, a lower than expected requirement for spares, reducing inventories and shorter manufacturing lead times, produced a sharp reduction in workload in 1982. There was a consequential fall in employment, a significant cut in orders on suppliers and the need for an additional provision of £32m against inventories in excess of normal scheduled requirements.

When demand picks up, Lord McFadzean says, a substantial part of this excess inventory could be recovered, but it was deemed prudent to make the increased provision.

The number of group employees in the UK, which fell by 5,900 in 1981, was further reduced by approximately 7,600 in 1982, a decline of 23 per cent in the two-year period. There reduction resulted not only from the fall in demand for civil engines but also from the continuing development of advanced manufacturing systems and methods in all the company's factories.

Highlights of the new techniques include a robotic grinding line for turbine blades and automatic equipment for the directional solidification and single crystal casting of aerofoils. Efficiency and budgeting targets require a further reduction of about 6,000 employees in 1983, Lord McFadzean says.

The company kept within its cash limits agred with the Government for the year, and, apart from funds available to industry in general or aerospace companies in particular, such a s launch aid for new projects under the provision of the Civil Aviation Act, Lord MacFadzean anticipates it will not require further Government financial assistance.

Lord McFadzean, who retires today, adds that for the next one or two years, the civil aerospace industry is likely to continue to pass through a turbulent period. Until finances of the world's airlines show a more positive trend, orders for new equipment are likely to be pushed as far into the future as possible. Once the turnround comes, however, Rolls-Royce, both in its range of engines and manufacturing costs, should be well placed to take advantage.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs
1982							
1st qtr.	100.7	89.3	90	106.5	141.2	2,679	112
2nd qtr.	101.1	88.9	89	106.8	145.1	2,743	107
3rd qtr.	101.4	88.0	84	108.9	150.7	2,837	111
4th qtr.	101.4	87.2	87	110.7	184.5	2,912	115
May	101.5	89.5	93	106.9	145.2	2,740	107
June	100.3	88.1	76	107.2	144.6	2,773	105
July	101.2	87.9	82	108.0	151.9	2,814	111
August	101.3	87.9	84	109.4	150.6	2,832	114
September	101.6	88.0	85	109.3	149.9	2,866	107
October	101.6	87.4	92	109.3	158.6	2,885	114
November	100.3	86.6	83	110.0	171.5	2,906	114
December	102.2	87.5	86	112.2	215.5	2,949	118
1983							
January	102.4	89.8		110.1	154.7	2,983	122
February				110.5		3,000	124

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
1st qtr.	92.4	90.7	121.2	86.1	81.3	74.3	14.7
2nd qtr.	91.9	91.4	122.1	86.4	78.0	72.7	17.5
3rd qtr.	91.3	90.3	122.7	85.7	72.5	70.7	17.1
4th qtr.	92.2	88.6	122.5	84.9	69.6	71.0	15.0
April	92.0	91.0	123.0	86.0	81.0	74.0	17.1
May	93.0	91.0	123.0	87.0	80.0	74.0	17.7
June	91.0	91.0	121.0	86.0	73.0	70.0	17.6
July	91.0	90.0	123.0	85.0	72.0	70.0	16.7
August	91.0	90.0	122.0	86.0	72.0	69.0	15.7
September	92.0	90.0	123.0	86.0	73.0	73.0	19.0
October	93.0	88.0	123.0	85.0	71.0	72.0	15.5
November	91.0	89.0	120.0	85.0	67.0	69.0	17.3
December	93.0	89.0	124.0	86.0	70.0	72.0	12.3
1983							
January	94.0	91.0	123.0	86.0	75.0	71.0	15.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv US$bn
1982							
1st qtr.	127.5	125.5	+235	+589	+698	101.2	18.97
2nd qtr.	131.4	130.2	+123	+803	+858	101.3	17.70
3rd qtr.	125.1	123.7	+609	+847	+1,313	100.5	18.30
4th qtr.	131.4	124.0	+1,262	+1,709	+1,736	99.3	16.85
April	133.5	131.6	+120	+347	+378	101.3	18.16
May	131.1	132.5	− 77	+149	+289	100.9	17.82
June	129.5	126.3	+ 80	+307	+191	101.5	17.70
July	126.5	123.8	+193	+272	+449	100.7	17.94
August	118.3	121.1	+ 91	+171	+474	101.1	18.11
September	130.7	126.1	+325	+404	+390	99.7	18.30
October	126.8	125.8	+215	+364	+501	98.8	18.50
November	132.4	122.5	+539	+688	+543	99.4	18.00
December	135.0	123.8	+568	+657	+692	99.7	17.00
1983							
January	121.0	134.3	−491	−311	+510	98.8	16.85
February	131.0	135.2	−138	+ 42	+604	99.1	16.58

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,535	1,344	2,210	
3rd qtr.	15.2	12.6	28.3	+4,842	1,796	2,398	
4th qtr.	19.0	13.3	26.9	+5,015	2,139	2,556	
May	− 0.5	9.5	26.8	+1,684	478	729	
June	10.7	10.2	25.8	+1,240	429	751	
July	14.2	11.3	29.4	+1,369	691	703	
August	17.5	12.3	26.6	+2,034	437	853	
September	14.2	14.0	28.8	+1,418	668	840	
October	24.0	18.2	32.4	+2,850	886	808	
November	17.4	12.2	25.4	+1,115	763	874	
December	15.9	9.8	23.2	+1,068	490	874	
1983							
January	7.6	4.2	6.7	+900	391	872	
February	9.9	5.2	13.0	+813	386		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
1st qtr.	216.6	238.2	234.3	311.6	297.7	242.40	91.1
2nd qtr.	222.7	240.0	238.2	321.5	304.1	233.46	90.3
3rd qtr.	227.8	244.9	242.0	323.0	297.0	228.88	91.4
4th qtr.	231.3	251.7	246.8	325.4	298.5	238.84	89.2
May	222.5	237.7	238.3	322.0	305.6	237.39	89.9
June	226.0	243.2	239.2	322.9	304.1	233.46	91.1
July	230.3	245.0	241.0	323.0	299.5	229.51	91.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	236.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.1	245.1	324.5	296.5	227.18	92.5
November	232.2	252.6	246.5	326.1	298.8	228.03	89.5
December	233.8	255.8	248.8	325.5	300.1	238.84	85.6
1983							
January	232.2	261.1	250.1	325.9	301.8	255.45	81.9
February		259.2	251.1	327.3	302.1	256.25	80.7

* Not seasonally adjusted.

Tomatin unveils plan to raise £3m

Tomatin Distillers, the largest independent producer of malt whisky fillings, yesterday unveiled a £3m capital reconstruction plan.

Tomatin is proposing that £3m, before expenses, should be raised by the issue at par of 3m 7 per cent cumulative convertible preference shares of £1 each.

The reconstruction has been planned against a background of deeply depressed demand for Scotch whisky.

Tomatin said that at the end of 1982 the group had a deficit of distributable reserves of £1.8m and this deficit will be increased by any subsequent loss sustained.

"The company will not be in a position to pay a dividend on the preference shares so long as a deficit subsists," said Tomatin. "Consideration is being given to possible forms of reorganisation which would have the effect of eliminating the deficit, and thus removing this obstacle to the payment of a dividend. Such a reorganisation would probably require the consent of ordinary shareholders, preference shareholders and secured lenders to the company."

Most of the issue proceeds will be used to repay Tomatin's overdraft from the Royal Bank of Scotland. Any balance will be used to fund future working capital requirements.

Tomatin discussed the need to raise capital through the £3m reconstruction scheme with its major shareholders and the British and Commonwealth Shipping Company, which has expressed an interest in making an investment in Tomatin.

A group of organisations forming a subscription group will subscribe or procure subscribers for £2.25m of the issue subject to Tomatin having the right first to offer the shares to existing shareholders.

Of the remaining £750,000, British and Commonwealth and funds managed by Scottish Amicable Investment Managers will subscribe or procure subscribers for £600,000 and £150,000 respectively. Both these investors form part of the subscription group.

Tomatin lost £1.4m before tax in 1980 and £2.37m in the following year. In the first half of last year it reported pre-tax profits of £109,000, after taking into account cereal refunds of £1.25m.

StanChart rights issue

Standard Chartered Bank announced yesterday that arrangements have been made to raise £97.5m after expenses by way of a rights issue of 5,908,087 new shares of £1 each at a price of 390p per share. The issue, has been underwritten by Henry Schrodger Wagg & Co.

At present the bank has insufficient unissued authorised share capital for the proposed rights issue. An extraordinary general meeting will be convened on April 18, when shareholders will be asked to increase the authorised share capital to £190m by the creation of 40m shares at £1 each.

Following the passing of this resolution and rights issue there will be 34,510,009 shares authorised but unissued (18.2 per cent of the increased authorised capital).

The rights issue shares will be priced at 390p per share, payable in full on acceptance to shareholders on the register at the close of business on March 22, in the proportion of one new share for every five shares held.

M&S climbs to $8.53m in Canada

Pre-tax earnings of Marks & Spencer's Canadian offshoot rose from C$5.9m to C$8.53m in the year to January 31 1983. Sales improved from $226.32m to $251.14m and operating profits were higher at $13.23m against $9.28m. Marks & Spencer incurred an operating loss of $822,000 ($1.45m), but Peoples contributed $6.25m compared with $6.1m and D. Allairds share rose from $4.63m to $7.81m.

The pre-tax figure was after interests costs and expenses were higher at $4.7m ($3.38m). The tax charge was $1.2m higher at $3.5m. Store closure costs amounted to $172,000 ($130,000). Last time there was an extraordinary credit of $1.25m, being reduction of income taxes on application of prior year's losses.

Earnings per share from continuous operations rose from 69 cents to 96 cents before extraordinary items, and from 66 cents to 93 cents after.

BIDS AND DEALS

Hanson Trust offers cash to defuse competitor's bid

BY RAY MAUGHAN

Hanson Trust acted swiftly yesterday to defuse the possibility of a successful competing bid for UDS Group by Bassishaw Investments by underpinning its revised cash and equity offer for the department and multiple stores group, with an all cash alternative at 133½p per share.

At the outset, Hanson's bid of highly-valued shares for undervalued UDS assets had been seen as a rights issue in all but name, and the renewed strength of Hanson's shares, up 5p to 188p yesterday, suggests that equity will still form the basis of the greater part of Hanson's consideration.

A profit forecast for Hanson's current financial year to September will be included in the formal offer documents next week and the outlook is generally accepted as being bullish.

Hanson, itself, believes that the market is making allowance for the favourable effects of currency swings on its important U.S. earnings, and felt yesterday that an element of uncertainty had been removed now that the top limit of its requirement to issue new shares has been established.

The chances of a Bassishaw success had been lifted on Tuesday when, after a split boardroom decision, the UDS directors voted to support the consortium deal. At that point, there had been little to choose between Bassishaw's cash and Hanson's principally equity terms.

Hanson had originally offered five of its own shares for every eight UDS stock units and, under pressure from a later revision from the consortium, added 25p per UDS unit to the value of the revised deal.

Burton Group is understood to have proposed an improvement on its earlier £78m cash offer for UDS's John Collier and Richard Shops multiple chains, which it hopes to buy from Hanson, as soon as the UDS directors' majority view became known, but Hanson itself has acted to establish a clear differential between what are now competing cash offers.

Hanson's new cash terms now compare with the final offer of 130p per share from Bassishaw, the consortium formed by Mr Gerald Ronson's privately-owned Heron Corporation and a group of major institutions.

Bassishaw had earlier made representation to the Takeover Panel about the possibility of a loan stock alternative to its final cash bid but, in the event, the meeting became just about superfluous as details of Hanson's own cash alternative became known.

Bassishaw was left yesterday to consider Hanson's new offer, but the consortium reminded UDS shareholders that it has the power to remain as an awkward minority shareholder when it pointed out that it holds over 15 per cent of UDS' equity.

Trafford in reverse takeover

BY DOMINIC LAWSON

IN A reverse takeover operation, Trafford Carpets whose shares were suspended at 20p last November, is acquiring the MCD Group, the UK's leading wholesale distributor of floor-coverings.

Trafford has conditionally agreed to purchase the entire MCD share capital for the consideration of 12.5m Trafford shares, equivalent to £4m in value. Trafford, a close company, has received undertakings in respect of about 70 per cent of its issued share capital to vote in favour of the purchase.

Robert Fleming and Co has agreed to purchase at 32p per ordinary share just over 2m of the new ordinary shares proposed to be issued to MCD shareholders, and to place these shares with Coni Gilbert and Sankey, so that the public holding would be of sufficient size to allow a relisting of Trafford's shares.

It is expected that dealings in the enlarged share capital will begin on May 3. However by that time Trafford should have changed its name to the MCD group, reflecting the fact that the vast majority of turnover of the enlarged business will be attributable to MCD, and only about 10 per cent to Trafford.

All the directors of Trafford are to resign without compensation, save for the sole executive director, Mr K. Scott, who will remain within the enlarged group.

Mr Graham Waldron, the chairman of MCD, said yesterday that he expected Trafford this year to produce profits for the enlarged company, and added: "The reverse takeover of Trafford is the cheapest way for MCD to get a stock market listing. We want that listing to aid our expansion into the South. We are an acquisitive company and we want the possibility of using paper."

No forecast is being made on profits in the year to December, but it is intended to pay a net dividend of 0.06p per share for that period. In a whole year akin to 1983 the combined company would have paid a total net dividend of 1p, over twice covered, and yielding 4.5 per cent on the 32p placing price.

In the five years to December 1982 MCD's turnover has grown from £4.8m to almost £21m, while profits have risen from £171,000 to £623,000.

● comment

Surprised shareholders in Trafford Carpets who have just received the document relating to the reverse takeover of MCD are effectively being presented with a fait accompli, thanks to the close status of the old Trafford. Trafford will end up with only about 10 per cent of the enlarged equity, but in terms of turnover contribution, that can only be described as fair. Although the move is a neat way for MCD to get its full quote, one might query how Trafford's manufacturing capacity will fit in with MCD's exclusively wholesaling operation. So far MCD has managed a reasonable profits record given that its five years have been a time of acute discomfort in the industry. So MCD has become expert at acquiring lossmaking businesses and turning them round. However, with the new shares being placed at a price yielding 4.5 per cent, and well in excess of net asset value, shareholders are being asked to view the new Trafford/MCD as very much a growth stock.

Owen Owen disposal of profitable Plumb offshoot

THE Liverpool department stores group Owen Owen is to sell its profitable subsidiary Plumb Contracts in a management buy-out worth £1.25m.

Plumb contributed £236,000 pre-tax profits for the year ended January 1983, out of an expected £500,000 pre-tax profits analysts forecast the group will show when results are announced in April.

Owen Owen said it will sell the subsidiary to Plumb Holdings, a company founded by Plumb Contracts' four directors, for cash rather than increase capital commitment which Plumb management want for expansion.

Owen has already received £1.2m by way of dividend from Plumb and the sale is subject to shareholders' approval.

Plumb's net tangible assets were £1.24m at the end of the year. It has grown into an international interior design and furnishings specialist since Owen Owen bought it as a small contracting firm to handle building maintenance and shopfitting work in its stores in 1964.

The sale comes at a lean time for Owen Owen. At the half-way stage last year the company had losses of £2.8m before tax but results are subject to wide seasonal variations—the preceding year it ended with pre-tax losses of £220,000 after an interim loss of £1.6m.

Much of this was blamed on the Canadian retail subsidiary, G. W. Robinson, dragging the profitable UK stores and Plumb Contracts down, and Robinson was sold in December.

MANAGEMENT BUY OUT ALAN COOPER

Alan Cooper, office furniture manufacturers of Todmorden, West Yorkshire, has been purcased by its directors for an undisclosed sum from its previous owners, Blyth Greene Jourdain and Co.

The management are looking to maintain employment for the 150 strong workforce through a programme of planned product development and an increase in profitability. A turnover in excess of £3m is anticipated in the first year of new ownership.

Blyth Greene Jourdain is a wholly-owned subsidiary of John Swire and Sons.

GARRICK/J. F. DONALD

Following the offer by Garrick Holdings for James F. Donald (Aberdeen Cinemas) acceptances were received from the holders of 1,750 ordinary shares as to (12.5 per cent) on March 25. Garrick is 51 per cent controlled by Dunton Group. The offer period has been extended to 3 pm on April 8.

ANGLO MET.

The offer by Atlantic Metropolitan (UK) for all the new Anglo Metropolitan ordinary and defered shares, other than those Atlantic Metropolitan Corpora-owned, has been accepted in respect of 4,420,046 ordinary (69.04 per cent), which with the 500,000 ordinary already owned brings Atlantic Metropolitan's holding to 76.85 per cent. The offer has now become unconditional in all respects.

ANGLO UNITED DEV./ COAL CONTRACTORS

Anglo United Development Corporation has reached agreement, subject to contract and consents, for the purchase of Coal Contractors, a UK company with interests in property, civil engineering and mining. Consideration will be C$16.25m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AB Electronic† ......int	3	June 6	2.5	—	7.5
Assoc Book	4.5	—	3*	6.5	4.17*
Babcock Intl	3.6	May 31	3.6	7	7
Ben Bailey ....int	0.4	—	0.25	—	0.81
Bowater	3.5	July 4	7.25	7.75	11.5
Bridon	1.8	May 19	2.3	3	3.5
R. Cartwright	3.38	—	2.75	4.63	4
Exeter Building‡	4.5	—	3*	7	4.58*
GRE	12.5	—	10.75	19.5	17.5
Home Counties	3.25	May 20	3.25	5	5
Lambert Howarth	4.25	May 18	3.6	5.75	4.75
Legal and General	11	—	9	15.5	13
Peel Holdings ....int	2	—	1	—	4
Planet Group	1.5	—	1.33*	2.2	1.97*
Rotork	2.15	—	1.35	3.5	2.45
Spirax-Sarco	3.3	May 20	3	5	4.7
Telfos	0.7	—	Nil	0.98	Nil
Trust Secs ....2nd int	1.25	—	—	1.97	1.97
Watts Blake	2.33	July 4	2.22	3.75	3.57
Weir Group	1.75	May 27	1.75	2.5	1.85
James Wilkes	2.81	—	2.63	4.31	4.13
York Chemicals	1	May 19	0.5	1	0.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

APPOINTMENTS

Changes at Hambros

Following the annual meeting of Hambros on July 26, the following changes will be made: At Hambros, Mr Charles Hambro will succeed Mr Jocelyn Hambro as chairman. Sir Ian Morrow will become deputy chairman, while Mr Chippendale Keswick and Mr Christopher Sporborg will be appointed directors. At Hambros Bank, Mr Charles Hambro will retire as chairman and from the board. Mr Rupert Hambro will succeed him. Mr Chippendale Keswick and Mr Christopher Sporborg will join Mr John Clay as deputy chairman.

★

B.A.T. INDUSTRIES has made the following appointments at group headquarters: Mr I. M. MacInnes becomes company secretary on April 1 and Mr G. K. Richardson becomes head of public affairs on May 1.

★

TEAKSPIRE has made the following board changes. Mr Martin Rosenhead, chairman, and Mr Peter Coventry, a director, have been appointed joint managing directors. Three additional non-executive directors have been appointed: Professor Alexander Kennaway, Mr Guy Askham and Mr John Ould. Professor Kennaway is a consultant professor of Engineering and Applied Sciences at Imperial College, London. Mr Askham is a chartered accountant with directorships of several private companies. Mr Ould is financial controller of Reed International.

★

Mr T. Douglas Grocock has been appointed chairman of the BOTB's AUSTRALIA AND NEW ZEALAND TRADE ADVISORY COMMITTEE. Mr Grocock, of Vickers, will succeed Mr Colin F. Smale on March 31.

★

Mr J. E. A. Statham has been appointed finance director of SIMON ENGINEERING'S merchanting and storage group. He was finance director of Simon-Hartley UK, and more recently president of Ashbrook-Simon-Hartley Inc., U.S.

★

The IBA is appointing Mrs Shirley Littler director of administration at the beginning of June. Mr Anthony Pragnell, the IBA's deputy director general, will retire a month later. Mrs Littler is head of the Immigration and Nationality Department of the Home Office.

★

Mr J. K. H. Savage has been appointed a director of McTAY ENGINEERING AND CONSTRUCTION and will be responsible for its regional office at Paisley, Renfrewshire. McTay Engineering and Construction is a subsidiary of John Mowlem and Co.

★

Mr K. F. Einfeld retires from his full-time appointment as deputy chairman of INTERNATIONAL COMMERCIAL BANK on March 31. He will remain a member of the board.

★

The Transport Secretary has appointed Mr Robert Easton as part-time chairman of the CLYDE PORT AUTHORITY for a three-year term with effect from April 1. Mr Easton is chairman and managing director of Yarrow Shipbuilders. Mr Easton replaces Mr James P. Davidson, who is retiring.

★

Dr P. Swarbrick has assumed responsibility for a newly formed communications group in BICC comprising BICC Telecomunication Cables, and all activities relating to CATV and to optical fibres, BICC's partnership with Corning Glass Works. He remains responsible for the service cables group. On April 1, Mr N. D. Taylor will become general manager, purchasing, BICC Cables with overall responsibility to the managing director for all purchasing activities and a special responsibility to the group director, metals, for copper procurement. He succeeds Mr O. W. Jones who is retiring.

★

Mr Bary Muncaster has been appointed managing director of ORIC PRODUCTS INTERNATIONAL. Mr John Tullis, previously managing director, becomes executive chairman with particular responsibility for all financial matters.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
D FL P	F.260	31	2	—	—	—	—	F.272.55
D.FL P	F.265	15	4	—	—	—	—	"
D/FL P	F.270	1	7	—	—	—	—	"
D FL P	F.275	3	8.60	—	—	—	—	"
		May		Aug.		Nov.		
GOLD C	$425	28	16.50	90	33 B	4	47	$418.75
GOLD C	$450	17	7.50	12	23	1	38	"
GOLD C	$475	52	5	126	18	—	—	"
GOLD C	$500	73	3	31	12 A	—	—	"
GOLD C	$550	18	1	47	6	—	—	"
GOLD P	$350	30	2	—	—	—	—	"
GOLD P	$375	3	4.70	—	—	—	—	"
GOLD P	$400	22	11	—	—	—	—	"
GOLD P	$425	—	—	20	25	—	—	"
GOLD P	$450	—	—	—	—	2	43	"
GOLD P	$475	2	62	—	—	—	—	"
12¼ NL 81 87-91								
C	F.130	—	—	20	3.60	—	—	F.133.30
C	F.135	168	0.30	6	1.30	5	2	"
C	F.140	—	—	—	—	5	0.60	"
10¾ NL 80 86-95								
C	F.115	—	—	1	1	—	—	F.113.80
11¼ NL 82 88-92								
C	F.115	25	1.30	—	—	—	—	F.116.20
10 NL 82-11 86-89								
C	F.107.50	5	2.80	—	—	—	—	F.111
C	F.110	130	1.10	—	—	—	—	"
P	F.107.50	—	—	2	1.20	—	—	"
7¾ NL 82-89-93								
C	F.100	—	—	—	—	1	1.80	F.100.30
P	F.102.50	—	—	—	—	3	4.80	"
7½ NL 83 87-90								
C	F.97.50	—	—	5	2.50	—	—	F.99.90
C	F.100	7	0.60	—	—	1	1.80	"
C	F.102.50	—	—	2	0.60	—	—	"

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.360	—	—	26	10	—	—	F.353.50
ABN P	F.320	—	—	15	4	—	—	"
AKZO C	F.30	—	—	50	26.50	—	—	F.56.10
AKZO C	F.40	25	16.50	—	—	12	16.50	"
AKZO C	F.50	15	6	42	7.80	25	8.70	"
AKZO C	F.55	130	2.70	102	5.20	37	7	"
AKZO C	F.60	30	1	69	3.80	28	4.80	"
AKZO P	F.50	—	—	37	2.50 B	—	—	"
AKZO P	F.55	66	1.80	—	—	—	—	"
AMRO C	F.50	—	—	31	9.90	18	10.70	F.59.70
AMRO C	F.55	—	—	21	6.40	12	7.80	"
AMRO C	F.60	—	—	42	3.20	91	5.10	"
GIST C	F.130	20	27 A	20	28	—	—	F.155
GIST C	F.150	87	10 A	22	13.50	—	—	"
GIST C	F.160	—	—	222	7.30	—	—	"
HEIN C	F.130	—	—	55	6	—	—	F.127.80
HEIN P	F.110	—	—	50	2	—	—	"
HOOG C	F.22.50	13	2.20 A	—	—	97	5 A	F.23.60
HOOG C	F.25	—	—	51	2.40	39	3.50	"
HOOG P	F.20	—	—	13	1	—	—	"
KLM C	F.160	17	4.20 A	31	10.50	—	—	F.159.80
KLM C	F.170	137	2	77	7	—	—	"
KLM P	F.140	—	—	16	6.50	—	—	"
KLM P	F.160	15	5.50	—	—	—	—	"
NEDL C	F.110	31	1.20	16	6	—	—	F.105.50
NATN C	F.140	—	—	14	10	2	12.60	F.146
NATN C	F.150	—	—	12	5.50	—	—	"
PHIL C	F30	7	12.70	245	12.70	—	—	F.42.90
PHIL C	F.32.50	45	10.30	33	10.40	7	10.50	"
PHIL C	F.35	79	7.70	58	8	18	8.40	"
PHIL C	F.40	147	3.10	421	4.60 A	74	5.80 A	"
PHIL C	F.45	—	—	200	2.70	348	3.60	"
PHIL P	F.40	28	0.30	10	1.30	112	2.40	"
PHIL P	F.45	—	—	39	4	2	4.40	"
RD C	F.90	3874	15	177	15.20	—	—	F.104.40
RD C	F.100	239	5.50	196	7.70	43	9.50	"
RD C	F.110	448	0.90	247	3.90	71	6.60	"
RD P	F.100	43	0.50	43	3.90	4	6	"
RD P	F.110	10	6.50	1	10	13	13.50	"
UNIL C	F.230	5	3	15	7.90	5	12	F.215.90
		May		Aug.		Nov.		
BASF C	DM.120	20	18.50	—	—	—	—	DM138.50
BASF C	DM.140	—	—	—	—	244	11.50	"
MANN C	DM.170	—	—	65	9	70	12.20	DM167
VW C	DM.180	20	8	22	12	--	—	DM178.70

TOTAL VOLUME IN CONTRACTS 9,462

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 316)	280	38	—	—	2	—	—
" "	300	20	38	44	5	12	18
" "	330	3	16	22	20	28	30
" "	360	1	6	—	46	48	—
CGF (USP 482)	390	—	112	—	1½	4	—
" "	420	73	85	—	3	9	—
" "	460	35	55	65	6	22	27
" "	500	10	34	43	25	33	45
" "	550	5	15	24	64	65	72
" "	600	1	7	11	—	115	—
CTD (USP 94)	70	25	27	29	1	1½	3
" "	80	15	17	19	1	2½	4
" "	90	6	9	13	1½	4	6
" "	100	1½	4½	6½	8	11	13
CUA (USP 130)	120	12	17	22	1	3	4
" "	130	5	10	15	4	7	10
" "	140	2	6	10	13	16	18
" "	160	1	3	5	32	32	33
GEC (USP 199)	180	25	31	40	1½	5	8
" "	197	9	—	—	5	—	—
" "	200	—	17	26	—	10	18
" "	217	2	—	—	20	—	—
" "	220	—	10	17	—	26	34
" "	237	0¼	—	—	39	—	—
" "	240	—	5	—	—	42	—
" "	260	0¼	4	—	62	62	—
GM (USP 322)	260	64	—	—	1	—	—
" "	280	44	54	—	1	4	—
" "	300	25	36	—	3	10	—
" "	330	5	18	25	12	31	24
" "	360	1	9	14	39	42	43
" "	390	1	4	7	—	69	70
ICI (USP 398)	300	100	108	—	1	—	—
" "	330	70	78	—	1	3	—
" "	360	40	43	58	2	8	10
" "	390	16	30	42	6	15	18
" "	420	4	16	22	24	30	34
LS (USP 315)	260	57	62	68	1	3	—
" "	280	37	42	48	2	5	9
" "	300	17	25	34	4	11	14
" "	330	3	11	18	17	24	27
M & S (USP 192)	160	36	—	—	1½	—	—
" "	180	17	26	31	3	6	10
" "	200	5	14	22	11	17	20
" "	220	1	6	10	30	32	33
" "	240	1	2	—	49	49	—
SHL (USP 444)	360	86	—	—	—	—	—
" "	390	66	64	72	1	3	9
" "	420	28	40	48	3	10	16
" "	460	5	16	24	20	28	34

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BBL (USP 450)	360	97	105	—	1	2	—
" "	390	67	75	—	2	3	—
" "	420	40	50	63	4	10	17
" "	460	14	22	37	20	27	37
" "	500	5	14	24	53	58	68
IMP (USP 109)	90	20	—	—	1	—	—
" "	100	12	—	—	2	—	—
" "	110	6½	11	13	4	8	8
" "	120	3½	6	7	12	13	15
" "	130	1½	3	4	22	22	23
LMO (USP 225)	210	25	38	48	10	14	23
" "	230	16	27	37	18	27	33
" "	250	6	16	27	30	38	43
" "	270	2	10	17	50	58	65
" "	290	1	4	—	68	78	—
" "	320	1	3	—	98	108	—
" "	350	1	—	—	128	—	—
" "	380	1	—	—	158	—	—
LNR (USP 83)	80	8	9½	12	2½	6½	7
" "	90	3	6	7	9	11	13
" "	100	0¼	2½	3½	18	20	22
P & O (USP 140)	100	42	43	—	0½	1	—
" "	110	32	33	—	1	2	—
" "	120	22	23	25	1	5	2
" "	130	14	16	19	3	7	10
" "	140	7	10	14	7	14	17
" "	160	1½	4	8	23	28	29
RCL (USP 424)	420	27	42	55	10	18	27
" "	460	10	20	30	40	42	45
" "	500	3	10	18	77	77	83
" "	550	2	4	—	127	127	—
" "	600	1	2	—	177	177	—
" "	650	1	—	—	227	—	—
RTZ (USP 507)	390	120	—	—	1	—	—
" "	420	90	95	—	2	—	—
" "	460	55	64	—	7	16	—
" "	500	30	42	55	19	32	44
" "	550	9	20	35	52	60	64
VRF (USP 97)	60	—	—	—	1	—	—
" "	70	—	—	—	1	—	—
" "	80	—	—	—	2	—	—
" "	90	12½	16½	18½	6	8	10
" "	100	6½	11	13	9½	13	14½
" "	110	3½	7½	10	15	17	20
" "	120	2	5	6½	23	25½	25½
" "	130	1	3	4½	33	—	35
" "	140	0¼	2	3	—	—	—

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
BHM (USP 381)	360	36	45	55	7	10	12
" "	390	16	26	30	20	23	28
GKN (USP 176)	160	25	27	30	4	6	9
" "	180	9	14	18	10	14	17

Mar. 30 Total Contracts 1,678 Calls 1,091 Puts 587

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INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

NOTES

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 30.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amax O/S Fin 14¼ 89	75	111⅞	112⅜	+0⅛	−0⅛	11.36
Amro Bank 13 89	200	105¼	105⅝	0	+0¼	11.74
BHP Finance 14⅜ 89	150	102½	109	0	0	12.59
British Col Hyd 10¼ 88	200	97¾	98¼	+0⅛	+0⅛	10.79
British Col Hyd 15⅛ 92	150	116⅞	117⅜	+0⅛	−0⅜	12.05
Canada 14⅜ 87	750	110⅞	111⅜	+0⅛	−0⅜	10.98
Canadair Ltd 12½ 89	175	104½	105	+0⅛	0	11.48
Canadian Wheat 11¼ 90	50	100⅛	100⅝	+0⅛	0	11.15
Can Pac Sec 15 89	75	109½	110¼	+0⅛	+0¼	12.51
Citicorp O/S 15 84/92	100	104⅝	104⅞	0	−0⅛	10.86
Coca Cola Int 9⅞ 92	100	24½	25	−0⅛	−0¼	10.77
Coca Cola Int 11¾ 89	100	104¾	105¼	+0¼	0	10.61
Credit Suisse BHA 10½ 90	150	99½	100	+0⅛	+0½	10.55
Credit Suisse 10½ 88	100	100⅜	100⅞	+0¼	0	10.34
Deutsche Bk Fin 14¼ 89	300	110	110½	+0⅜	−0⅜	11.83
Du Pont 11¼ 95	150	101¾	102¼	0	+0⅛	10.93
Du Pont 14½ 89 WW	200	107¾	108¼	+0⅛	+0¼	12.21
E.D.C. 10¾ 88	100	100	100½	+0⅛	+0¼	10.66
E.D.F. 12¾ 87	150	103⅛	103⅝	0	−0⅛	11.71
E.E.C. 11½ 85	200	98⅞	99⅜	0	+0½	11.62
E.I.B. 11 91	125	98¼	98¾	+0⅜	+0¼	11.29
E.I.B. 15½ 92	100	113¼	113¾	0	−0½	12.88
Exp Dev Corp 11¾ 87	100	102¼	102⅝	0	−0⅛	11.02
Forsmarks 13¾ 92	75	105⅜	105⅞	+0⅛	+0⅛	12.66
Gaz de France 12¼ 93	175	20⅛	20⅝	+0⅛	+0⅜	12.17
Gen Elec Credit 9¾ 91	100	14½	15	0	−0¼	10.71
Gen Elec Credit 12 89	100	107	107½	+0⅛	+0⅜	10.38
GMAC O/S Fin 10½ 90	200	97⅞	98⅜	−0⅛	−0⅜	10.89
GMAC O/S Fin 15 87	100	108¾	109¼	+0⅛	+0⅛	12.87
Gulf Oil Fin 12¼ 87	100	103⅜	103⅞	−0¼	−0⅛	11.14
IBM World Trade 12¼ 92	200	109½	110	+0¼	+0⅜	10.55
Manitoba Prov 11¾ 89	125	102⅝	103⅛	+0⅛	+0⅛	11.08
Manitoba Prov 13¾ 89	100	108½	109	+0⅛	+0⅛	11.71
Midland Int Fin 11½ 92	150	99⅞	100⅜	+0¼	+0⅛	11.45
Nat West Fin 11¾ 92	150	101⅜	101⅞	+0⅛	+0⅛	11.44
New Brunswick 15¼ 87	75	111¼	111¾	+0⅛	0	11.66
Newfoundland 15½ 90	75	112⅞	113⅜	0	−0⅜	12.82
Nippon Credit 11¼ 93	100	96⅞	97⅜	+0¼	+0½	11.66
Nova Scotia Prv 15¼ 89	75	113⅛	113⅝	+0⅛	0	12.07
Ontario Hydro 11¼ 89	200	102⅜	102⅞	+0⅛	−0¼	10.68
Ontario Hydro 12¾ 92	200	106⅜	106⅞	+0⅛	+0¼	11.54
Ontario Hydro 15 92	150	116⅝	117⅛	+0¼	+0⅜	11.88
Prudential O/S 10⅜ 93	100	99½	100	+0⅛	+0⅛	10.66
Prudential O/S 12¾ 87	150	106⅝	107⅛	+0⅛	+0⅜	10.71
Quebec Hydro 11½ 92 D	100	101¼	101¾	+0⅜	+0⅜	11.21
R. J. Reynolds 12⅜ 89	100	104⅝	105⅛	+0¼	−0¼	11.60
Saskatchewan Pr 10¾ 90	125	98¼	98¾	+0⅛	+0⅛	11.07
Skand Enskil 11½ 88	100†	99	99½	0	0	11.70
S.N.C.F. 11½ 93	100	99	99½	+0⅛	+0¼	11.63
Swed Exp Credit 14¾ 90	100	109½	110	+0¼	+0⅜	12.58
Swiss Bk Corp 10¼ 90	125	100⅛	100⅝	+0¼	+0⅜	10.15
Texaco Capital 9¾ 90	150	94⅝	95⅛	+0⅛	+0¼	10.83
U.B.S. 11 89	150	102⅝	103⅛	+0½	+0½	10.35
Walt Disney Pro 12½ 89	75	104⅜	104⅞	+0⅛	+0½	11.38
World Bank 10¾ 88	150	98⅝	99⅛	+0⅛	+0	11.17
World Bank 10⅞ 93	100	98	98½	+0⅛	−0½	11.17
World Bank 11⅛ 88	100	98	98½	+0⅜	+0¼	11.36

Av. price changes: on day +⅛, on week +⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100¼	100¾	+0⅛	−0⅛	8.18
Australia 8⅛ 93	200	98¾	99¼	+0¼	+0⅛	7.01
Australia 7¾ 92	200	104⅜	104⅞	+0⅛	−0⅜	7.08
Bank of Tokyo 7¼ 90	100	99⅞	100⅜	+0¼	−0⅛	7.22
Bayer Capital 7⅞ 89	150	104⅛	104⅝	0	−0⅛	6.77
Caisse Nat Energie 8 93	100	100¼	100¾	+0¼	0	7.92
Caisse Nat Tele 7¾ 93	200	98	98½	−0⅛	+0⅛	8.01
E.C.S.C. 7½ 93	150	99	99½	+0⅛	+0⅛	7.60
E.E.C. 7¾ 95	200	99⅝	100⅛	+0⅛	−0⅛	7.75
E.E.C. 8 94	200	101¼	101¾	−0⅛	+0¼	7.81
Eurofima 7½ 91	100	100⅞	101⅜	+0⅜	+0⅛	7.30
Ferrovie Dello 8¾ 88	150	102	102½	+0⅛	+1⅛	8.17
Gould Int Fin 8¼ 89	75	103	103½	0	+0¼	7.68
H.J. Heinz Int 6⅝ 88	50	99⅝	100⅛	0	−0⅛	6.77
Int-Am Dev Bk 8¼ 93	150	100⅞	101⅜	0	+0⅛	8.07
Ireland 8½ 90	150	101¼	101¾	+0⅜	−0⅛	8.20
Ireland 8⅞ 91	150	102⅞	103⅜	−0½	+0⅜	8.30
ITT Antilles 7 93	200	98	98½	0	+0⅛	7.25
McDonalds Fin 7½ 92	100	101⅝	102⅛	+0⅜	+0⅝	6.85
Mitsui O.S.K. 7¼ 88	100	98⅝	99⅛	+0⅝	+0⅜	7.53
Mount Isa Fin 7⅝ 90	100	97⅝	98⅛	+0⅜	0	8.03
Quebec Hydro 8 93	200	102½	103	+0¼	+0½	7.59
Sweden Kingdom 8¼ 89	150	102¼	102¾	+0⅛	+0⅛	7.75
Volkswagen Int 7¼ 93	200	97⅞	98⅜	+0¼	+0⅛	7.52
World Bank 7¼ 93	200	97⅞	98⅜	0	−0⅛	7.52

Av. price changes: on day +⅛, on week +¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	98	98¼	−0¼	+0¼	4.99
Asian D.B. 5⅞ 95	100	99	99¼	0	+0⅜	5.98
Bowater Int Fin 6 92	100	102⅝	102⅞	+0⅛	+0⅜	5.62
BTR Finance 5⅝ 93	75	97½	97¾	+0½	+0½	5.95
Chugoku Ele Pow 6⅛ 91	100	101	101¼	+0½	+0½	5.94
Chujitsuya Co 5⅞ 93	50	97¾	98	+0¾	+1¾	6.17
Ex-Im Bk Japan 5 93	100	96¾	97	+0⅜	−0½	5.42
First Interstate 6 92	100	102½	102¾	+0½	−0½	5.64
Gaz de France 6 93	100	100¾	101	−0½	−0½	5.88
Gothenburg Airport 6 93	50	100	100¼	0	+0¾	5.98
HCA Finance 5 93	100	96¾	97	+0¼	−0⅜	5.41
Kyushu Elec Power 6 92	100	100	100¼	0	+0¼	5.98
Manitoba Prov 5¼ 93	100	100⅞	101⅛	−0⅛	−0¼	5.12
New Zealand 5¼ 92	100	99½	99¾	+1	+0½	5.38
Nippon Express Co 6 93	50	101	101¼	−0¼	0	5.84
Nippon Kokan 5⅝ 93	100	95½	95¾	−0¾	−1	6.23
Nisshin Steel Co 6⅝ 92	100	101¼	101½	0	+1	6.18
Norsk Hydro 5½ 98	100	97¾	98	−0¼	−0⅛	5.71
O.K.B. 6⅝ 93	80	101½	101¾	−0¼	−0½	6.52
Quebec 5¾ 92	100	102¼	102½	+0½	−0¼	5.43
Shikoku Elec Pow 5⅝ 93	100	97½	97¾	+0½	+0¼	5.95
Tohoku Elec Power 6 93	100	99	99¼	−0¼	−0½	6.12
Transcanada Pipe 5¾ 93	100	99	99¼	−0¼	0	5.67
Union Bk Norway 5⅝ 93	80	97½	97¾	−0½	−0¼	5.69
Volvo 5⅞ 91	80	100⅜	101	−0¼	−0⅜	5.23
World Bank 5½ 93	100	100¼	100½	0	0	5.45

Av. price changes: on day +⅛, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅜	105⅞	0	−0⅛	7.72
E.I.B. 8¼ 92	15	102	103	0	−0⅛	7.85
Japan Airlines 7⅞ 87	9†	100½	101½	0	0	7.58
New Zealand 8⅛ 87	15	102⅝	103⅜	−0⅛	−0¼	7.51
World Bank 8⅛ 92	20	103	104	0	0	7.81

Av. price changes: on day −⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 90 CS	50†	95½	96⅛	0	0	13.32
Farm Credit 12⅛ 93 CS	50†	99⅝	100⅛	0	−0⅛	12.15
Gaz de France 15 89 CS	75†	106⅜	106⅞	0	−0⅛	13.38
Gaz Metro 14½ 92 CS	40†	103	104	−0⅛	−0¼	13.78
Pancanadian 12½ 93 CS	50†	97⅜	97⅞	0	−0⅛	12.94
Quebec Hydro 14 92 CS	60†	106	106½	0	0	12.20
Swed Exp CR 12¼ 88 CS	50†	100¾	101¼	−0⅛	−0½	11.95
E.E.C. 11⅞ 93 ECU	50	98	99	0	−0⅜	11.83
Elf Norge 11¾ 88 ECU	30	97	98	−0⅛	−0⅞	12.45
Amfas 9½ 87 Fl	60	104¼	104¾	−0¼	0	8.28
Austria 7½ 88 Fl	100	100⅛	100⅝	0	+0⅛	7.40
Nederland Gas 7½ 88 Fl	100	100½	101	−0¼	−0⅛	7.31
Neder Mildbk 9¼ 87 Fl	100	104¼	104¾	0	−0¼	8.04
Quebec Prov 7½ 88 Fl	100	98¾	99¼	0	−0⅛	7.75
World Bank 7 88 Fl	150	98½	99	0	−0⅛	7.31
O.K.B. 14 86 FF	400	98⅛	98⅝	0	−0½	14.57
Solvay & Cie 14¾ 86 FF	200	98	99	0	−0⅜	15.48
B.F.C.E. 14½ 87 £	30	106⅞	107⅜	0	0	12.12
C.E.C.A. 13½ 88 £	20	104⅞	105⅜	0	−0⅜	12.07
C.N.T. 12½ 89 £	20	100⅞	101⅛	+0⅛	−0¼	12.31
E.E.C. 11⅞ 91 £	50	98¼	99	0	−0⅛	12.14
Fin For Ind 12¼ 88 £	30	102⅝	103½	0	−0⅛	11.54
Fin Mat Oranj 12⅝ 92 £	30	23⅞	24⅝	−0½	+0⅛	12.76
Gen Elec Co 12½ 89 £	50	104½	105½	0	−0⅛	11.27
Hiram Walker 14¼ 86 £	25	105⅞	106⅞	0	0	11.63
Mort Bk Fin 11¾ 89 £	15	23⅝	24⅜	−0⅛	−0⅛	13.21
Norsk Hydro 12 90 £	30	96	97	+68⅛	−69	12.78
Norsk Hydro 14½ 87 £	30	107⅞	108⅛	−0⅛	−0⅛	12.06
Quebec 14½ 89 £	30	105⅜	106½	+0⅛	0	12.98
S.D.R. France 15½ 92 £	30	105⅜	106½	0	−0⅛	14.25
S.N.C.F. 11½ 89 £	30	94⅜	95⅜	−0⅛	−0⅜	12.65
Tenneco Int 14¾ 87 £	30	106½	107½	0	−0⅛	12.50
World Bank 11⅞ 91 £	75	26	26¾	+0⅛	−0⅜	12.19
Euratom 11 93 LuxFr	500	102½	103½	0	−0¼	10.55
Europarat 12½ 92 LuxFr	500	104	105	0	+0¼	11.66

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅛	99⅞	100⅜	10/6	9⅞	9.74
B.F.C.E. 5¼ 88	0¼	98¾	99¼	20/7	9¼	9.34
B.F.C.E. 5⅛ 87	0¼	99½	100	27/7	9.94	9.96
Caisse Nat Tele 5¼ 90	0¼	99⅛	99⅝	21/4	10.56	10.63
Cepme 5¼ 92	0⅜	99¼	99¾	10/6	9.94	9.99
Chemical NY 5⅛ 94 ††	0⅛	100¼	100¾	23/6	9⅞	9.83
Credit Agricole 5¼ 97	0¼	98⅞	99⅜	24/9	10	10.09
Credit du Nord 5¼ 92	0¼	99	99½	23/6	10⅛	10.20
Credit Lyonnais 5¼ 97	0¼	98⅛	99⅛	1/4	12.19	12.26
Credit Lyonnais 5⅛ 94	0¼	99⅛	99⅝	5/7	9¾	9.81
Credit Nat 5¼ 94	0¼	98⅝	99⅛	9/9	9¼	9.36
E.D.F. 5¼ 95 XW	0¼	99½	99¾	10/6	10	10.06
Kansallis Osake 5½ 92	0¼	99⅝	99⅞	6/5	10.06	10.10
Lloyds Eurofin 5⅛ 93 S	0⅛	100⅛	100⅝	28/4	10.56	10.52
Long Term Cred 5⅛ 92	0¼	99⅞	100⅛	27/5	10⅛	10.13
J.P. Morgan 5¼ 97 S	0¼	100	100½	12/5	9½	9.48
Nat West Fin 5¼ 91 S	0⅛	100⅛	100⅝	15/7	9⅛	9.22
New Zealand 5¼ 87	0⅛	100¼	100¾	7/4	12½	12.44
NZ Steel Dev 5⅛ 92	0⅛	100	100½	22/6	10.19	10.16
Nippon Credit 5¼ 90	0⅛	100	100½	10/8	9⅞	9.85
Offshore Mining 5¼ 91	0¼	100	100½	2/6	10.44	10.41
Scotland Int 5¼ 92	0⅛	99⅝	100⅛	23/6	9.94	9.94
Sec Pacific 5¼ 91	0⅛	100⅛	100⅝	24/5	10.06	10.02
Société Générale 5¼ 95	0¼	99⅛	99⅝	1/6	9½	9.56
Standard Chart 5¼ 91	0¼	99⅞	100⅜	18/5	10.88	10.87
Sweden 5¼ 93	0¼	99⅝	100⅛	3/8	10.19	10.20
Sweden 5¼ 89	0¼	99½	99⅞	26/8	9⅝	9.68

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	99½	100	+0½	20.81
Bridgestone Tire 5½ 96	3/82	470	104¾	106¼	−3⅛	4.57
Canon 7 97	7/82	748.2	184½	186½	+2½	4.34
Fujitsu Fanuc 4½ 98	10/81	5614	104⅞	106⅛	−1⅜	46.25
Hitachi Cable 5¼ 98	2/82	515	96½	98	+0½	9.23
Hitachi Credit Corp 5 98	7/81	1612	89⅝	91⅛	+0⅜	9.84
Honda Motor 5½ 97	3/82	758.6	115¾	117¼	+1½	4.56
Kawasaki 5⅜ 96	9/81	229	84½	86	+1	23.34
Kumagai Gumi 6½ 97	10/82	488	114	115½	+1¾	1.48
Kyowa Hakko 6¼ 97	2/83	782	106	107¼	+0⅜	10.34
Marui 6 98	7/81	769.5	127¾	129¼	−0⅛	7.22
Minolta Camera 5 98	10/81	828.4	74⅝	76¼	−1¼	38.82
Murata 5⅛ 96	7/81	1971	98⅞	100⅜	+0⅜	18.80
Nippon Electric 5¼ 97	2/82	795.9	125	128½	+1	8.44
Nippon Oil Co 5½ 98	4/83	984	95⅝	97⅛	+0⅛	4.24
Nissan Motor 5¾ 98	4/83	770	96⅛	97⅝	−0⅛	0.55
Olympus Optical 6⅞ 97	12/82	1331	101¾	103¼	+0⅜	8.67
Orient Finance 5¼ 97	3/82	1205	108½	108	−0⅜	33.27
Sumitomo Electric 5½ 97	3/82	577.3	97	98½	+1	9.56
Sumitomo Metal 5¼ 96	10/81	296.1	74½	76	+2	42.05
Fujitsu 3½ 93 SF	3/83	986	107½	109½	+0⅛	12.11
Sharp Corp 3½ 93 SF	3/83	1198	110	112	−0½	1.39
Konishiroku 6⅝ 88 DM	8/82	816	109⅛	110⅞	−0⅜	5.59
Mitsubishi Heavy 6 89 DM	2/82	263	106⅞	107⅞	0	28.34
Sun Realty 6¼ 92 DM	2/83	365	113	114	+1½	3.43

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing Price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing Price	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ♦ Figures or report awaited. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ☆ Effective issue price after scrip. † Formerly dealt in under special rule.

Renfe seeks DM 100m bond in German market

BY MARY ANN SIEGHART IN LONDON

RENFE, the Spanish state railway, is raising DM 100m in the West German market through an eight-year, 8¼ per cent bond, priced at par. The issue, which is guaranteed by the Spanish Government, is being led by Westdeutsche Landesbank. It started trading yesterday at a 1¼ point discount, about average for new issues.

D-Mark secondary market prices rose by about ¼ point in fairly active trading.

In Switzerland, the European Investment Bank's SwFr 100m, ten-year issue was given a coupon of 5¾ per cent at par, as indicated, by Swiss Bank Corporation.

Seasoned Eurodollar bonds rose about ¼ point as the New York bond market firmed, but there was little activity.

Société Nationale des Chemins de Fer, the French national railway, has exercised its right to call in early its 13¾ per cent bonds due 1987 for a price of 103½. The call date is April 30.

Gambro plans share offer on N.Y. Exchange

By David Brown in Stockholm

GAMBRO, the Swedish medical equipment group which is currently placing shares on the Stockholm bourse, plans to raise additional capital in the U.S..

The company, which makes dialysis equipment and claims a world *market share of around 20 per cent*, will raise SKr 114m through its share issue in Sweden. It plans a larger offering on the New York *Stock Exchange before the end of* June.

Swedish banks say the current share issue has been heavily subscribed. Skandinaviska Enskilda Banken, which is handling half the 660 share offering, says it has received bids for over 1m shares.

The size of the issue is normal for Sweden, according to Mr Dengt Nyberg, of Handelsbanken, which, together with the merchant bankers, Carnegie Montague, handled the remaining subscriptions.

The strong investor interest is attributed to the growth prospects of the high technology medical equipment field.

The family-owned Gambro is seeking new capital in order to diversify its range of medical products. At present some 80 per cent of sales come from dialysis equipment, but the company has recently made a *number of acquisitions.*

Group profits have grown rapidly in recent years. Against SKr 71m ($9.46m) in 1981, the company has forecast pre-tax profits of around SKr 120m for 1982. In 1977 profits stood at SKr 37m.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER MARCH 29 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.78	11.83	12.22	11.61
DM (Foreign Bond Issues)	7.44	7.40	7.79	7.39
HFL (Bearer Notes)	7.78	7.86	8.07	7.43
Can$ Eurobonds	13.06	13.02	13.55	12.93

J. Vontobel & Co. Bankers, Zurich – Tel: 010 411 488 7111

FINANCIAL TIMES
Thursday March 31 1983

Crude oil futures markets get under way, Page 35

WALL STREET

Divergent response to indicators

A DOWNWARD move in credit market yields during the first hour of Wall Street trading was reversed following a sharp increase in the Federal Funds rate and the announcement of a sharp rise in the Commerce Department's leading economic indicators for February, *writes Terry Byland in New York.*

The share market was encouraged by the continued growth in the U.S. economy and at the close the Dow Jones Industrial average was up 12.10 at 1143.29. Trading, however, remained moderate.

The Government bond markets *showed a more relaxed view of interest* rates in the absence of any moves by the Federal Reserve in the wake of this week's meeting of its Open Market committee.

Also helping the credit market at first was the belief that the economic rebound in the U.S. might be losing a little of its vigour – sales of single family houses fell 5.9 per cent in February. But the mood changed following the news of the rise in February's economic indicators, which was larger than expected, and by a jump in the Federal Funds rate to 9¼

The discount rate on the six month Treasury bill recovered from an early fall and moved up to 8.66 per cent. Three month bills, two basis points lower at one time, edged higher at 8.63 per cent.

The benchmark long bond, the Treasury 10⅜ per cent of 2012, at 97 20/32 was a touch lower on the day after rising ini*tially to 97 29/32.*

Share prices rallied from their three-day run of falls but buying was highly selective. The news of continued growth in the economy again focussed attention on the high technology sectors considered likely to lead the way forward.

It was confirmed towards the close that a block of 5.4m shares in RCA had been traded at $23¾, half a point under the market price. The deal, worth $127.5m, was the largest in terms of value ever recorded on the New York stock exchange. The market believed the block had been sold by Allied Corporation which acquired 5m RCA shares in its takeover of Bendix.

Chrysler continued to trade busily in the wake of the successful placing on Tuesday of 26m shares. At $16¾ in yesterday's market, the stock was changing hands above the issue level and underly*ing support was indicated by a block* deal, also at $16¾.

Airlines stocks looked mixed on reports of an agreement to end price discounting, which has been the bane of industry profits. Pan American, believed to be unwilling to participate in the new agreement, languished at $5¼, unchanged from overnight.

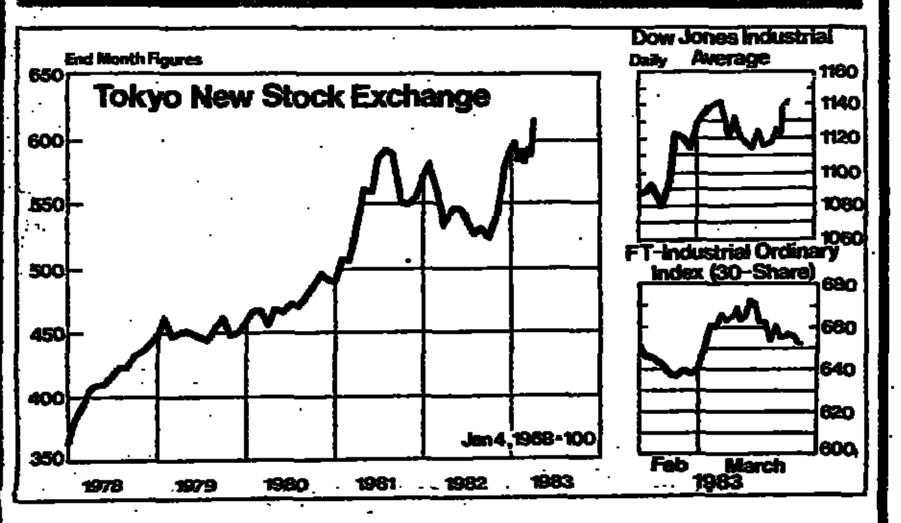
Shares in Paradyne picked up by $¾ to $27¾ in active trading following the board's rebuttal of Securities and Exchange *Commission allegations.* Waste Management regained one point of its recent loss to reach $43¾.

But Baldwin-United upset the market further by disclosing that last year's profits will be substantially below fore*cast and the shares lost a further $2½ to* $12¾.

In the insurance sector, shares in American General and in Gulf United were suspended following the announcement of a $1bn plus merger plan.

In **Montreal** stocks rose slightly across a broad front with the main advances posted by banks and papers. Strong gains in golds and oil and gas stocks marked a general improvement in **Toronto.**

KEY MARKET MONITORS



STOCK MARKET INDICES

	March 30	Previous	Year ago
NEW YORK			
DJ Industrials	1143.29	1131.19	824.49
DJ Transport	512.63	508.02	333.15
DJ Utilities	124.82	125.05	108.33
S&P Composite	152.36*	151.59	112.27
LONDON			
FT Ind Ord	651.0	652.1	568.5
FT-A All-share	407.64	410.11	326.60
FT-A 500	439.96	442.45	350.09
FT-A Ind	411.99	414.79	320.69
FT Gold mines	546.1	531.5	246.7
FT Govt secs	80.50	79.93	68.93
TOKYO			
Nikkei-Dow	8446.61	8424.13	7193.91
Tokyo SE	616.29	615.04	529.91
AUSTRALIA			
All Ord.	509.9	506.9	463.3
Metals & Mins.	462.9	456.9	324.5
AUSTRIA			
Credit Aktien	53.39	53.75	53.56
BELGIUM			
Belgian SE	115.46	115.88	99.57
CANADA			
Toronto Composite	2126.5*	2122.4	1595.5
Montreal Industrials	355.45*	354.83	281.39
Combined	352.45*	351.76	269.05
DENMARK			
Copenhagen SE	*133.21*	*134.08*	94.37
FRANCE			
CAC Gen	114.6	114.5	104.6
Ind. Tendance	122.10	122.0	116.2
WEST GERMANY			
FAZ-Aktien	297.0	296.02	235.71
Commerzbank	895.0	890.80	719.1
HONG KONG			
Hang Seng	982.54	979.56	1167.16
ITALY			
Banca Comm.	212.69	210.78	207.06
NETHERLANDS			
ANP-CBS Gen	124.1	124.8	90.5
ANP-CBS Ind	106.7	107.7	72.6
NORWAY			
Oslo SE	153.63	152.49	99.23
SINGAPORE			
Straits Times	851.01	839.16	722.57
SOUTH AFRICA			
Golds	731.8	702.1	451.5
Industrials	830.1	828.4	566.5
SPAIN			
Madrid SE	112.37	112.26	123.92
SWEDEN			
J & P	1269.40	1255.87	597.82
SWITZERLAND			
Swiss Bank Ind	313.3	311.8	254.9
WORLD	Mar 29	Prev	Yr ago
Capital Int'l	164.3	164.6	131.0

GOLD (per ounce)

	March 30	Prev
London	$418.00	$414.50
Frankfurt	$418.00	$412.75
Zürich	$417.75	$414.50
Paris (fixing)	$417.15	$413.80
New York (April)	$413.20	$415.80

** Indicates latest pre-close figure*

CURRENCIES

	U.S. DOLLAR March 30	U.S. DOLLAR Previous	STERLING March 30	STERLING Previous
£	1.4645	1.4545	–	–
DM	2.4275	2.4305	3.55¾	3.53¾
Yen	239.75	239.95	351½	349½
FFr	7.27	7.2875	10.64½	10.60
SwFr	2.0830	2.0810	3.05¼	3.03
Guilder	2.7280	2.7395	4.00	3.98¾
Lira	1443¾	1448½	2114	2107
BFr	48.02	48.25	70.35	70.20
C$	1.2285	1.2310	1.7985	1.7895

INTEREST RATES

	March 30	Prev
Euro-currencies (three month offered rate)		
£	10 15/16	11⅛
SwFr	4	4¼
DM	5	5
FFr	12¾	12½
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅝	9⅞
6-month U.S.$	9 13/16	10
U.S. Fed Funds	9⅝	8⅞
U.S. 3-month CDs	9.20	9.25
U.S. 3-month T-bills	8.61	8.67

U.S. Treasury Bonds

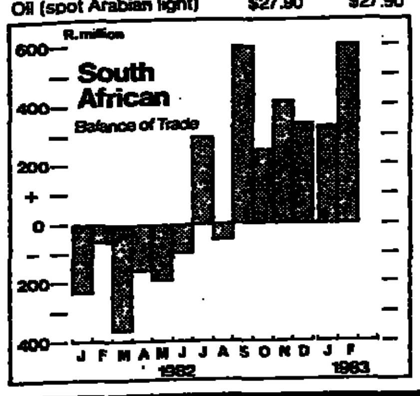
	March 30 Price	March 30 Yield	Prev Price	Prev Yield
9⅝ 1985	99 19/32	9.84	99 15/32	9.86
10½ 1990	99 28/32	10.50	99 24/32	10.54
10⅞ 1993	101 28/32	10.56	101 17/32	10.59
10⅜ 2012	99 7/32	10.61	97 14/32	10.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	76–08	76–20	76–06	76–08
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.23	91.35	91.19	91.27
Cert Deposit (IMM) $1m points of 100%				
June	90.56	90.68	90.53	90.57
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.42	90.43	90.38	90.27
20-year Notional Gilt £50,000 32nds of 100%				
June	103–18	103–20	103–04	102–29

LONDON COMMODITY MARKETS

	March 30	Prev
Silver (spot fixing)	730.85p	712.80p
Copper (cash)	£1116.50	£1117.50
Coffee (March)	£1903.50	£1925.00
Oil (spot Arabian light)	$27.90	$27.90



FAR EAST

Speculatives take Tokyo higher still

LEADERSHIP of the continuing **Tokyo** advance passed yesterday to second-line industrials and speculatives, although blue chips received some late impetus from confirmation that the Japanese Government would next week put forward a nine-point package to stimulate the economy.

Monetary policy is expected to be eased and advantage taken of lower world oil prices. An immediate cut in the official discount rate is by no means assured, however, after Mr Haruo Maekawa, governor of the Bank of Japan, reiterated that the yen remains unstable and undervalued against the dollar.

A Daiwa Securities analyst said some consolidation in the market might begin to set in but, with interest centred on bargain issues which would benefit from cheaper oil, he did not expect any severe downward correction.

Dealers noted that some of the activity might reflect an artificial attempt to keep share prices high until the end of the fiscal year today – also the business year-end for many concerns, which would thus be able to show a high value of holdings in balance sheets.

The Nikkei-Dow Jones market average moved up a further 22.48 to a new high of 8,446.61, its seventh record close in nine trading sessions. Turnover was a busy 500m shares compared with Tuesday's 410m, and the stock exchange index added 1.25 to 616.29.

Keisei Electric Railway, a speculators' favourite, picked up an active Y11 to Y445. Other major gainers were Mitsui and Co, ahead Y18 to Y412 also in active dealings; Fuji Photo Film, up Y30 to Y1,770; and Daiwa Securities, Y23 stronger at Y491.

The recently favoured Nippon Express was again volume leader, on 34.46m shares, but slipped Y1 to Y217.

Foreign interest was identified in Citizen Watch, which touched a record Y389 before returning to Y380, up at net Y3.

Government bond prices continued their cautious decline as the yen failed substantially to improve.

The long-awaited string of 1982 corporate results came after the **Hong Kong** close, and prices finished quietly steady on sporadic local buying. The Hang Seng index wound up the half-day midweek session 2.98 to the good at 982.54.

Of the major companies reporting, the biggest move was shown by Jardine Matheson, up 30 cents to HK$13.90 in anticipation of its relatively strong outturn.

Hongkong Land, with which it maintains cross-holdings of about 40 per cent, plunged into loss after large-scale write-downs on projects likely to be abandoned. Its stock held steady ahead of the news at HK$4.17.

Great Eagle, yet another on the results list, shed four cents to 54 cents after news of a loss by Regal Hotels, its subsidiary, which itself was four cents lower at 29 cents.

A late buying surge in **Singapore** was triggered in part by a 27 per cent devaluation of the Indonesian rupiah, which prompted a move of Indonesian funds into the market. The Straits Times industrial index was 11.85 ahead at 851.01.

Properties were higher, with gains of 25 cents for Selangor at S$5.55 and 10 cents for UOL at S$3.40. Banks also did well, particularly Malay Banking which added 30 cents to S$7.45.

SOUTH AFRICA

Firm response

A FIRMER undertone developed among leading **Johannesburg** industrials as Mr Owen Horwood, the Finance Minister, began to unveil his budget proposals amid healthy February trade figures.

Golds attracted strong demand as the bullion price strengthened, and gains ranged to R2.50 for Buffels, at R53. In mining financials, Anglo-American added 40 cents to R20.40, Amgold 50 cents to R119 and De Beers 25 cents to R8.50.

Elsewhere, Rennies and Unisec improved 10 cents apiece to R9 and R4.50 respectively. Banks were favoured.

EUROPE

Downturn difficult to shake off

MANY of the bourses closed firmer yesterday after the previous day's heavy profit-taking, but the depressing influence of Tuesday's downturn on Wall Street held sway in some centres. Trading was for the most part very light ahead of the Easter holiday.

Banks, which had sustained some of the heaviest losses in **Frankfurt** a day earlier, led a rally of blue chip issues. Deutsche Bank, which had shed DM 8.90 on Tuesday, partly on disappointment at its modest DM 1 dividend increase, regained DM 7.90 to close at DM 321 after announcing a 30 per cent jump in operating earnings.

Hopes of an increased dividend lifted BHF Bank DM 9.50 to DM 274.70, but gains by Dresdner and Commerzbank were more modest.

Most industry sectors featured in a broad upswing fuelled by optimism over U.S. interest rates and a weaker dollar, and bargain hunting by foreign investors at the lower levels gave an added boost.

In metals, Metallgesellschaft put on DM 4 to DM 234 ahead of the announcement of heavy losses for 1982 and despite its decision to pay no dividend. Degussa rose 4.5 to DM 262.5 on a forecast of higher sales this year.

Domestic bond prices finished mainly higher. The Bundesbank sold DM 14.6m of public paper, after having to buy DM 68.2m the previous day.

In **Amsterdam,** a modest recovery in the afternoon was not enough to make up for a weak opening, in which many stocks extended the losses they had suffered in the previous two days.

Both domestic and foreign stocks turned lower in a quiet **Brussels** market. Holding companies declined further, with Société Générale dropping BFr 65 to BFr 1,560 after announcing an unchanged dividend and a turnround to *unspecified profits* in 1982.

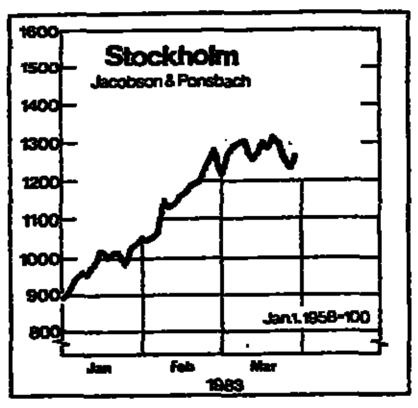
Profit-taking negated early rises in **Paris** where Wall Street's weakness was the major factor in hesitant trading. Metals were the biggest losers while banks, *foods, construction,* electricals and oils posted modest gains.

Renewed optimism over interest rates left prices firmer after heavy trading in **Zurich.** Leading the rally were banks and recently neglected blue chip stocks, *according to dealers.*

Expectations that the Italian Banking Association would cut its recommended prime rate by half a point to 19.5 per cent had little effect in **Milan.** But prices closed generally higher in active trading

Prices continued to recover *strongly* in moderate trading in **Stockholm.** Major gainers were Asea, up SKr 15 to SKr 550, and Volvo, which put on SKr 12 at SKr 400.

Prices were mixed in thin trading in **Madrid,** where small rises in bank stocks and for the monopoly, Telefonica, were features.



AUSTRALIA

Mines sought

RENEWED investment demand emerged for leading **Sydney** mining issues as commodity prices firmed, providing a higher finish in moderately active trading, although advances kept only a slender overall edge on declines.

BHP rose 20 cents to A$6.64 and MIM 10 cents to A$4.15.

Bid activity dominated the industrials. Retailer Grace Bros added 15 cents to A$3.65 ahead of a Bond Holdings offer at an effective A$4.06. Bond was unchanged at A$1.01.

Golds held steady in **Melbourne** on subdued turnover.

LONDON

Credit anxieties cooled

A LESSENING of pressure for an increase in bank lending rates – which came as short-term money market rates turned down yesterday – was an important, but not the only, reason encouraging revived London investment in government stocks.

Other major influences included comments by Mr Donald Regan, the U.S. Treasury Secretary, cooling recent anxieties about rates there and the Federal Reserve's monetary policy, coupled with sterling's improved trend yesterday after the long-awaited announcement of BNOC's price proposals.

Gilt-edged securities rose throughout the session and longer-dated issues had gains stretching to over a point. Demand was sufficient in the existing thin conditions to warrant the better tone.

Equity markets were in no mood to respond to the receding possibility of base rate rises after sentiment had been dampened within minutes of the opening bell by Bowater's announcement of a surprise dividend cut and poor results.

In the wake of Bowater, down to 145p before recovering strongly to 163p for a net fall of 9p, leading shares slipped lower.

The FT Industrial Ordinary *share* index closed 1.1 off at 651.0, the session's best.

Standard Chartered's surprise £101m proposed rights issue depressed the shares to 450p before a close of 24p down at 456p. The announcement undermined sentiment in the major clearing banks. Natwest fell 13p to 552p and Barclays 10p to 450p, as did Lloyds to 480p, while Midland ended 8p off at 362p.

A South African budget that was largely regarded as neutral to mildly bullish, prompted strong gains throughout South African mining issues.

London financials were unsettled by initial losses in UK equities but regained their poise. *Share information service, pages 36–37*

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

A-A-A

B-B-B

C-C-C

D-D-D

E-E-E

F-F-F

G-G-G

H-H-H

I-I-I

J-J-J

K-K-K

L-L-L

M-M-M

N-N-N

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
26¼	11½	WolwW	.48	1.9	13	43	25½	25	25½	
35	18⅝	Womet	s .44	1.3	22	452	33¼	32½	33	−⅛
25¾	16¼	WoodPt	.60	2.7	12	404	22⅞	22⅜	22½	
34¼	16¾	Wolwth	1.80	5.4		343	33¼	32⅞	33⅛	+⅝
49	23⅞	Wolw	pf2.20	4.8		2	45½	45½	45½	+½
5¼	1½	WrldAr				13	4⅛	4⅝	4¾	
47	29⅞	Wrigly	1.44a	3.3	10	15	44¼	43¾	44	+½
5⅝	2⅞	Wurltzr				4	5⅛	5	5	−¼
15¼	4½	WyleLb				286	13⅝	13⅜	13½	−⅛
13¼	7½	Wyly			37	555	13	12⅞	13	+⅛
18½	11⅛	Wynns	.60	4.1		7	14½	14⅜	14½	+⅛

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

ITALY

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Assoc Book Publishers	236	−21
Bowater	163	−9
Brdon	44	+9
Esco	685	−43
GRE	422	+12
GKN	179	+11
Lucas Inds	162	—
Minet	136	+9
Randfontein	£87¼	+1½
Standard Chartered	456	−24
Steetley	208	−55
Trident TV A	102½	−2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

Stock	No. of changes	Tues close	Day's change
Glaxo	28	840	−10
Esco Intl	24	228	−17
Brit Aerospace	22	276	−21
Burmah Oil	22	159	+12
Lon & Liv Tst	19	435	−15
BAT Inds	17	640	−10
BICC	14	225	−5
Racal Elect	13	428	−6
Shell Trans	13	446	—
Sotheby's	13	530	+20
Bowater	12	172	−9
GEC	12	200	−4
Unilever	12	847	−8
Cable & Wire	11	408	−5

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (48)

AMERICANS (2)
Rep. N.Y. Corp Rexnord

BUILDINGS (2)
Countryside Lovell (Y. J.)

CHEMICALS (3)
Hickson & Welch Yorks. Chems.
Hoechst 10pcUns Ln.

STORES (2)
Ladies Pride UDS

ELECTRICALS (2)
A.B. Electronic Emess Lighting

ENGINEERING (4)
Ash & Lacy Planet Group
Garton Eng. Rotork

FOODS (3)
Banks (Sidney C.) Safeway
Pyke Hldgs.

INDUSTRIALS (5)
Bensfords UKO Int.
Dunhill Western Board Mills
Steetley

MOTORS (1)
Manor Nat.

NEWSPAPERS (3)
Assoc. Book Pubs Home Counties
Collins (William)

PROPERTY (3)
Bradford Prop Markheath 54 6pc
Fairview Ests.

SHOES (2)
Lambert Howarth Newbold & Burton

SOUTH AFRICANS (1)
S.A. Brews.

TEXTILES (1)
Dawson Inc.

TRUSTS (6)
Anglo-Scot. Inv. Murray Northern &
Greenfriar Inv Merc. Trans. Tst
Group Investors Sel. Mkt. Ptg. Pref

OIL & GAS (2)
Burmah Petrofina

PLANTATIONS (1)
Assam Dooars

MINES (5)
De Beers Defd. Rust. Plat.
Impala Plat. Kamunting
Lydenburg

NEW LOWS (15)

BUILDINGS (1)
AMEC

STORES (1)
Bremner

ELECTRICALS (2)
BICC Whitworth

ENGINEERING (1)
Utd. Wire

INDUSTRIALS (2)
Bowater Dyson (J. & J.) A

PROPERTY (1)
Control Secs.

TRUSTS (2)
Energy Res. New Darien

OIL & GAS (4)
Am Oil Fields Brit. Can. Res
Berkeley Ex. Jebsens Drilling

MINES (1)
Central Pacific

OPTIONS

Money was given for the call of ICL, Lasmo, Trident TV, Combined Technology, John Brown, Turner and Newall, First National Finance, KCA International and Resource Technology. No puts were reported, but Jardine Matheson and First National Finance were dealt in for the double.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

FIXED INTEREST

	PRICE INDICES	Wed March 30	Day's change %	Tues March 29
	British Government			
1	5 years			
2	5-15 years	127.97	+0.69	127.09
3	Over 15 years	137.43	+0.92	136.18
4	Irredeemables	147.02	+1.28	145.17
5	All Stocks	127.08	+0.64	126.27
6	Debentures and Loans	101.31	+0.17	101.15
7	Preference	80.10	+0.13	80.09

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	87	2	9
Corpns. Dom. & Foreign Bonds	23	1	56
Industrials	177	302	854
Financial & Props.	50	190	280
Oils	19	27	64
Plantations	6	—	16
Mines	60	12	81
Others	30	71	60
Totals	452	605	1,420

FINANCIAL TIMES STOCK INDICES

	Mar. 30	Mar. 29	Mar. 28	Mar. 25	Mar. 24	Mar. 23	year ago
Government Secs.	80.50	79.93	79.91	80.63	80.52	79.96	68.93
Fixed Interest	82.55	82.29	82.39	82.75	82.39	82.06	69.59
Industrial Ord.	651.0	652.1	655.6	656.9	654.8	654.3	568.5
Gold Mines	546.1	551.5	538.1	537.9	550.7	549.3	246.7
Ord. Div. Yield	4.91	4.89	4.85	4.86	4.91	4.94	6.54
Earnings, Yld.% (full)	10.35	10.31	10.24	10.25	10.37	10.47	11.07
P/E Ratio (net) (*)	11.67	11.71	11.80	11.78	11.65	11.51	11.37
Total bargains	24,407	24,713	25,127	23,038	22,776	23,535	24,597
Equity turnover £m.	—	187.60	187.10	276.84	222.58	206.25	171.6
Equity bargains	—	22,237	22,053	19,637	19,395	16,574	22,816
Shares traded (ml)	—	160.0	120.3	169.5	142.2	128.7	126.2

10 am 649.1. 11 am 647.1. Noon 647.3. 1 pm 647.7.
2 pm 647.7. 3 pm 649.8.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35.
Gold Mines 12/10/55. SE Activity 1974.
Nil = 10.91.
Latest Index 01-248 8026.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (5/11)	61.69 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	673.6 (15/3/83)	518.1 (5/1/82)	673.6 (15/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 29	Mar. 28
—Daily		
Gilt Edged Bargains	179.4	199.9
Equities Bargains	144.1	142.9
Equities Value	579.2	378.2
5-day Avrge		
Gilt-Edged Bargains	190.2	192.8
Equities Bargains	131.9	128.7
Equities Value	436.7	444.6

NEW YORK AND CANADA Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

Mar 30	Mar 29	Mar 28	Mar 25	1982-83 High	1982-83 Low
88.16	87.24	87.34	87.81	88.66 (7/3/83)	58.8 (12/8/82)

RISES AND FALLS

Issues traded	1844	1861	884
Rises	956	651	465
Falls	520	782	28
Unchanged	374	428	381

MONTREAL

	Mar 30	Mar 29	Mar 28	Mar 25	1982-83 High	1982-83 Low
Industrials	358.0	354.83	354.58	355.43	368.88 (15/2/83)	249.88 (21/6/82)
Combined	356.83	351.76	351.49	351.97	368.9 (7/3/83)	237.27 (21/6/82)
TORONTO Composite	2141.5	2122.3	2117.4	2122.8	2178.8 (7/3/83)	1365.7 (21/6/82)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12⅛	8	WeldT	s.10	.9		4	11¼	11⅛	11¼	−¼
13½	3⅝	Widtm	s		15	2	10½	10½	10½	+⅛
8⅝	6	Wellco	.30	3.8		11	7⅞	7½	7⅞	+⅛
18¼	7	WelGrd	.50	6.6	5	50	8	7⅝	7⅝	−½
15¼	7⅞	Wesco	.54	3.5	10	1	15½	15½	15½	
24½	7⅞	Wespcp			9	150	10⅝	9⅞	10	−1

NEW YORK CLOSING PRICES

Continued from Page 33

COMMODITIES AND AGRICULTURE

Crude oil futures markets open

BY NANCY DUNNE

THE world's first-ever crude oil futures markets were launched yesterday in both Chicago and New York.

Both contracts are similar, for 1,000 barrels (42,000 gallons) of domestic crude petroleum with the delivery points the major significant difference.

The Chicago Board of Trade (CBT) claims its contract will attract greater foreign interest because its delivery in St James, Louisiana, is more accessible for foreign crude. Nymex crude takes delivery in Cushing, Oklahoma.

The crude contract is the CBT's second bid for supremacy in the energy field. Its unleaded gasoline contract, which began trading late last year, is averaging about 700 contracts a day, with open interest ranging from about 4,000 to 5,000.

CBT officials yesterday expressed dissatisfaction with the progress of the gasoline contract but expected to pick up volume with the introduction of crude oil.

"We did things backwards," said Mr Thomas Cunningham, exchange chairman. "The crude oil contract should have been introduced first, but it required so much 'fine tuning' that gasoline got Commodity Futures Trading Commission approval first."

Our Commodities Staff writes: The International Petroleum Exchange in London is planning to launch two crude oil futures contracts (for sweet and sour grades) later this year, probably in the autumn when the Exchange is planning to move to larger premises.

Meanwhile, there was little reaction on the London gas oil futures market to news of the oil price cut by the British National Oil Corporation.

Metal markets took a similar view, and were more interested in the 1.4 per cent in U.S. leading indicators and the firmer trend in sterling.

USSR resumes U.S. grain purchases

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FIRST purchase of U.S. grains by the Soviet Union for three months was announced in Washington by the U.S. Department of Agriculture.

The Russian purchase of 100,000 tonnes of maize, reported by private exporters, brings the total Soviet purchases to 6.1m tonnes since last October, when the latest grain pact between the two countries started. The last Russian purchase of wheat was in early January and of maize in mid-November.

The resumption of purchases comes shortly after U.S. and Soviet officials met in Moscow last week for consultations on their grain pact. Under the deal Russia must buy a minimum of 6m tonnes of grain, but the Americans have offered to supply as much as 23m tonnes if requested.

However, according to the latest market report issued by the International Wheat Council yesterday, total grain imports by the Soviet Union from all sources are expected to fall to only 34.5m tonnes in 1982-83 against 46m tonnes the previous season.

Broiler chicken processing boost plan

BY OUR COMMODITIES STAFF

A PLAN to boost the broiler chicken processing industry in the North of England is being drawn up by the National Farmers' Union (NFU).

Broiler chicken producers, processors, packers and feed compounders from the North met at the NFU headquarters in London yesterday to make a start on developing a plan for increasing broiler processing capacity in their area, with the help of EEC financial aid.

Several processors have been forced to close recently, said Mr Ted Kirkwood, chairman of the NFU poultry committee, and the resulting shortage of processing capacity had hit producer returns.

He also noted that the North of England broiler processing industry was no longer big enough to supply local demand and a large part of its requirements had to be "imported" from the south.

About £90m a year is available from the EEC farm fund for such developments but Mr Kirkwood said only about one applicant in five was successful.

He said the NFU aimed to draw up a plan for the updating of processing plants for poultry parts and portions in the region for Mr Peter Walker, the UK Agriculture Minister, to press in Brussels.

action to help the pig industry,

EEC sugar sales back to normal

By Richard Mooney

SUGAR EXPORT authorisations at yesterday's export tender in Brussels got back to more norma levels following very low allotments in the last two weeks.

Export licences were granted on 23,250 tonnes of white sugar and 27,000 tonnes of raws compared with 6,000 tonnes of whites and 5,000 tonnes of raws last week. Traders said the higher allotment was thought to reflect a correction from last week's low level caused by preoccupation with the European currency realignment. They said the result had little impact on the market.

● AGRICULTURAL export figures for 1982 show a growth of 13.8 per cent to £2,637m, over comparable results for 1980. Much of the growth has been in the produce sector where exports of unmilled cereals grew by 94.9 per cent to £528m.

● THE MILK Marketing Board is offering a rebate of 3p per gallon on all liquid skim sold for pig feeding during April, May and June.

● THIS WEEK'S Calcutta tea sale has been postponed. No reason was given. New season tea is expected to be offered at the April 4-5 sale.

● MALAYSIA is considering pulling out of the copra market and is discouraging coconut planting.

● INDIA IS considering a selective cut in the price of jute goods to boost declining sales. Jute goods exports are expected to fall to 320,000 tonnes in 1982-83 from 360,000 the previous season.

● DAIRY FARMERS' yields and profits can be increased by milking three times a day, says a report from Farm Management Services Information Unit.

Lambs and farmers at mercy of weather

Farmer's viewpoint: By John Cherrington

THE RECENT spell of cold weather is bearing out the truth of the old adage that if March comes in like a lamb it goes out like a lion. An even more uncomfortable adage lays down that where the wind is on March 21 it will remain its source for the next three months. At midday on March 21 it was a strong nor-west with hailstorms.

Being a modern farmer, I profess to ignore such old wives' tales but certainly the change from the mild, almost balmy weather of the first three weeks of March has been most uncomfortable, and it has upset the planned order of my farm work more than somewhat.

Not that we are really behind in anything yet. In fact the pattern of the weather had been almost copybook. Rather wet in January, then three weeks frost throughout February which thawed out in the first week of March.

The frost had shattered the furrows, which crumbled to an ideal seed bed at the slightest touch of the cultivators and gave the seeds of barley and oats as good a start as they could have wanted.

My planned acreage of spring sowing was finished during the second week. If I had any anxiety, it was on the score that the soil in some fields had become too dry, but this was soon cured by some steady rain and damp conditions the following week.

This should have been followed by some warm dry weather for the last week of March, so that the autumn sown crops could have been top-dressed with nitrogen and a few weed patches sprayed. The first part of this programme went well, with winter barley getting its nitrogen and then the rain prevented us finishing the wheat until the beginning of this week, and the combination of March winds and hail this week has made further work of this sort impossible.

The problem is that my soil has a large element of clay and as soon as the topsoil is wet the tractor and sprayer make an awful mess. Some farmers get over this problem by hiring an aeroplane or using what is called a low ground pressure vehicle. But both of these alternatives add to costs and no two sources of technical advice seem to agree as to the bes time to apply either nitrogen or herbicides.

For my part, I follow the advice given me by a very old neighbour who, when I was getting very frustrated by the weather some years ago, counselled patience.

"The Almighty," he said, "Will always provide a time for sowing and a time for harvest. These will not be calenaar dates but they will be periods when conditions are right. It is then up to you to take the fullest advantage of them."

But one farming operation cannot be adjusted to the weather—lambing. Once the ewes have conceived they will, in due course, give birth about five months afterwards. Nor can conception be controlled with any certainty. The ewes come in season every 17 days, so the flock has this as a mating cycle and within that time the ewes are all given the chance of mating.

My practice is to give the rams a harness which holds a coloured block. This colour is changed every week so that we know within fairly narrow limits just how many ewes should lamb in that week. Nine hundred ewes were mated and 100 took in the first week. 300 in the second and nearly 500 in the third. This is roughly how they lambed, with about 50 of the last lot left

Fortunately the weather was good, mild with not much wind. The lambs were strong and the ewes had milk. Nevertheless, there were a lot of triplets and wayward lambs who did not like their own mothers and ewes who did not like their own offspring.

To cope with this, there is an adoption and resuscitation unit. Triplets are put to ewes with singles with a good degree of success and there are pens in which recalcitrant ewes are made to take to their own offspring. Infrared lamps will often restore life to seemingly dead lambs.

To make management easier, all twins are numbered as soon after birth as possible, as are their ewes; strays can then be reunited. The flock lambs in the field but when any are seen to be in trouble they are picked up and brought inside. Ewes are very easy to catch after they have lambed, and as 85 per cent of them give no trouble, only a small proportion need the extra care.

It is too soon to say what the lambing percentage will turn out to be, particularly as the first-time lambers have yet to start. So far things have been going well but their future is still going to be very much at the mercy of the weather over the next few months. Farming is not an exact science, stock farming even less so than arable.

Potato Marketing Board revives supply estimates

BY OUR COMMODITIES STAFF

THE POTATO Marketing Board has had to adjust its supply estimates because of a dramatic drop in consumption which has left a surplus of 133,000 tonnes instead of the expected 2,000 tonnes.

The board had estimated consumption for the current season at 5.832m tonnes but only 5.722m tonnes were used. February stock figures now indicate that the board's supply estimate may need to be reduced by up to 60,000 tonnes.

Trade returns till December showed that consumption was higher than normal, going as high as 109kg per head per annum, the board said. But since then, returns show an accelerating decline and the consumption estimate for the year ending May 31 has been reduced to 105kg. There seemed to be no particular reason why consumption should have fallen.

The 133,000-tonne surplus figure does not take into account the 34,000 tonnes so far allocated to the processors' scheme, nor any amounts—up to a maximum of 50,000 tonnes—which may be allocated later. Neither does the surplus figure take into account amounts committed to the recently announced stockfood programme.

Imports of ware potatoes have dropped considerably and the board's estimate of 100,000 tonnes now looks as if it will be justified. Estimated imports of new potatoes are also unchanged at 327,000 tonnes although the current weakness of sterling may make the British market less attractive.

Ware export estimates have been reduced from 40,000 tonnes to 29,000 tonnes because of reduced shipments to the Canary Islands. Seed exports are well on the way to meeting the estimated 60,000 tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 30 1983	+ or —	Month ago
Metals			
Aluminium	£810/815		£810/815
Free Mkt	$1530/1560	—10	$1510/540

	Mar. 30 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$515w	+2.5	$472.5
Groundnut			£315
Linseed Crude			£372.5

BRITISH COMMODITY MARKETS

BASE METALS

Base-metal markets tended to give ground on the London Metal Exchange, reflecting profit-taking. Copper touched £1,161 in initial dealings but fell back to close at £1,045, while Lead closed at £324, after £329 and Zinc at £482, after £494. Tin was well supported at £9,277 but Aluminium dipped to £941.5 and Nickel to £3,495.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grde	£	£	£	£
Cash	1112-.5	+2.5	1116-7	—1
3 months	1146-.5	+3	1150.5-1	—1.5
Settlem't	1112.5	+2.5	—	.....
Cathodes				
Cash	1089-90	+2	1095-6	—5.5

Nickel — Morning: Three months £3,520, 15, 20, 25, 20. Kerb: Three months £3,250, 15, 20. Afternoon: Three months £3,510, 05, 3,500, 3,510, 08, 10, 05, 3,500, 3,485, 3,500, 3,495, 3,500, 3,498. Kerb: Three months £3,500, £3,490. Turnover: 2,124 tonnes.

SILVER

LME—Turnover 167 (242) lots of 10,000 ozs. Morning: Three months 750.0, 50.0, 50.5. Kerb: three months 751.0, 50.0, 49.0, 51.0. Afternoon: three months 748.5, 50.5, 51.5, 52.0, 49.5, 49.0. Kerb: three months 748.0, 47.0, 46.0, 45.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	730.85p	+18.0	730p	—
3 months	748.25p	+17.4	748.25p	—0.25
6 months	765.75p	+18.8	—	.....

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	233.50	—3.25	235.50-32.00
April	235.25	—1.50	235.25-32.50
May	234.25	—1.25	234.50-31.00
June	233.25	—1.75	233.50-30.50
July	233.25	—1.75	233.25-30.75
Aug	234.75	—2.00	234.50-33.00
Sept	236.75	—1.75	236.75-34.50
Oct	239.00	—1.50	239.00-36.00
Nov	240.50	—1.50	239.50-38.50

Turnover: 3,009 (4,159) lots of 100 tonnes.

LONDON OIL SPOT PRICES

	Latest	Change + or —
Iranian Light	25.80-26.50	—
Arabian Heavy	25.80-25.85	—0.05
North Sea (Forties)	28.10-28.25	+0.05
North Sea (Brent)	28.35	+0.10
African (Bonny L'ht)	28.30-28.40	+0.05

PRODUCTS—North West Europe	CIF ($ per tonne)	
Premium gasoline	283-291	+2.0
Gas oil	233-239	+4.0
Heavy fuel oil	158-160	+1.0

GOLD MARKETS

Gold rose $3½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $417½-418½. The metal opened at $416½-417½ and traded between a high of $418½-419½ and a low of $416½-417½, its opening level.

In Frankfurt the 12½ kilo bar was fixed at DM 32,555 per kilo ($418.00 per ounce) against DM 32,345 ($413.98) previously and closed at $417-418½ from $412½-413½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $416.75 from 413.0.

In Paris the 12½ kilo bar was fixed at FFr 97,500 per kilo ($417.15 per ounce) in the afternoon compared with FFr 97,500 ($418.13) in the morning and FFr 97,100 ($13.80) on Tuesday afternoon.

In Zurich gold finished at $417½-418½ from $413-416.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	415.90-16.0	+0.100	418.50-15.5
May	419.50-20.6	+1.000	—
June	422.30-22.4	—0.200	425.30-22.5
July	425.10-26.0	+0.850	—
August	428.70-29.5	+0.950	430.50
Sept	431.60-33.7	+0.750	—
Oct	434.50-37.2	+0.800	436.50

	Mar. 30		Mar. 29	
Gold Bullion (fine ounce)				
Close	$417½-418½	(£285-285¼)	$414-415	(£284½-285¼)
Opening	$416½-417½	(£285¼-286)	$411½-412½	(£282¾-283½)
Morning fixing	$417.25	(£285.944)	$412	(£282.773)
Afternoon fixing	$418	(£286.106)	$412.75	(£283.541)

Gold Coins Mar. 30

LEAD

ZINC

TIN

ALUMINIUM

NICKEL

WEEKLY METALS

EUROPEAN MARKETS

COFFEE

buying and despite persistent commission house selling May was able to register a fresh contract high on a firm close.

COFFEE	Yesterday's Close	+ or —	Business Done
March	1902-05	—21.5	1915-9.0
May	1940-41	+18.5	1948-03
July	1726-39	—18.5	1750-16

SUGAR

on trade short-covering. Close (U.S. $ per tonne): April 400.00, 402.00, untraded; June 414.00, 416.00, 414.00; Aug 428.00, 429.00, 429.00-428.00; Oct 435.00, 444.00, u/t; Dec 445.00, 456.00, u/t; Feb 455.00, 467.00, u/t; April 465.00, 480.00, u/t. Sales: 15 (0) lots of 25 tonnes.

LONDON DAILY SUGAR—Raw sugar

GRAINS

POTATOES

RUBBER

COCOA

SOYABEAN MEAL

COTTON

HIDES

MEAT/FISH

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

AMERICAN MARKETS

NEW YORK, March 29

Gold and silver rallied in response to the firming of oil values and on buying encouraged by the markets failure to follow through to the downside. Copper advanced sharply on renewed speculative interest with further support from technical buying and massive short-covering. Heating oil continued its recent rally on the strength in gasoline prices but could not hold its best levels as trade selling was attracted by the new highs. Sugar continued to show a firm trend as plantings could be reduced in the U.S. if present contract negotiations between producers and refiners do not show any progress. Cocoa strengthened on speculative buying prompted by reports of continued bush fires in the Ivory Coast. Coffee prices had good support on continued concern about tight spot supplies in London. Cotton prices opened very strong but ran into late profit—taking and commission house liquidation finishing the day with moderate gains. Soyabeans and grains finished higher on an important technical break out to the upside; December maize was lower on back spreading while old crop months made new contract highs, reported Heinold Commodities.

BECAUSE of time differences between Britain and the U.S. until April 24, early editions of the Financial Times will carry the previous day's American Markets closing prices.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1697	1702	1680	1663
July	1736	1739	1720	1700
Sept	1773	1773	1755	1735
Dec	1806	1806	1706	1771
March	1833	1827	1824	1798
May	1848	—	—	1813

SUGAR WORLD "11" 112,000 lb.

	Close	High	Low	Prev
May	7.07	7.08	6.90	7.00
July	7.40	7.40	7.20	7.31
Sept	7.68	7.72	7.55	7.66
Oct	7.91	7.95	7.77	7.88
March	8.91	8.93	8.78	8.85
May	9.19	9.20	9.07	9.07
July	9.35	—	—	9.20

CHICAGO

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)						
100⅝	92⅞	Treasury 9¼pc '83	99⅝	+1/16	9.28	10.43
104⅝	96⅞	Exch. 13½pc '83	101⅝	+1/16	13.28	10.73
101¼	91⅞	Exch. 10pc 1983	99⅝	+1/16	10.04	10.48
98¼	87⅞	Funding 5½pc '82-84‡‡	97	+⅛	5.67	9.46
103¼	91⅞	Exch. 11¼pc 1984	100⅝	+⅛	11.18	10.45
107¼	96¼	Exchequer 14pc 1984	103 1/16	+⅛	13.57	10.94
94½	81⅛	Exch. 3pc 1984	93⅜	.....	3.21	8.83
105¼	91½	Treasury 12pc 1984	101⅞	+¼	11.78	10.57
112	96¼	Treasury 15pc 1985	106 11/16	+¼	14.04	10.90
112¼	103	Exch. 12pc Cnv. '85	103¾	+½	11.57	9.85
91¼	73½	Treasury 3pc 1985	89¼	+⅛	3.36	8.60
105½	87½	Treasury 11½pc 1985	100 13/16	+¼	11.39	11.01
102	95½	Treas 8¾pc Cnv '85	96¾	+⅜	9.04	10.25
107⅝	86⅝	Exch. 12¼pc 1985	102	+3/16	12.01	11.32
106⅝	86⅛	Exch. 11¾pc '86	101⅛	+¼	11.62	11.27
89½	69	Treasury 3pc 1986	85⅝	−¼	3.50	8.38
27	26	Exch. 10½pc Cv '86(£25pd)	26 3/16	+¼	10.49	10.45
107¾	86¼	Treasury 12pc '86	101 11/16	+¼	11.80	11.33
100	80⅛	Treasury 8¼pc '84-86‡‡	94⅝	...	9.01	10.57
116¼	96⅜	Treas. 12¼pc '86 Cnv.	108¾	+½	11.26	9.10
114	91⅞	Exch. 14pc 1986	107⅜xd	+3/16	13.04	11.45
112	90	Exch. 13¼pc 1987	105⅜	+3/16	12.57	11.45
84 5/16	83	Exchequer 2½pc 1987	83	−⅛	3.01	7.60
103½	95⅞	Exch. 10½pc 1987	97¼xd	+3/16	10.74	11.21
98⅞	97¼	Exch. 10½pc 1987A	97⅝	+3/16	10.76	11.24
93⅜	73⅞	Funding 6½pc '85-87‡‡	89½xd	+⅛	7.26	9.68
85¼	64½	Treasury 3pc 1987	81⅛	.....	3.70	8.32
109	85⅞	Treas 12pc 1987	102xd	+⅛	11.76	11.43
98	72½	Treasury 7¾pc '85-88‡‡	89½	+⅛	8.66	10.57
Five to Fifteen Years						
102¾	95½	Exch 10½pc '88	101¼	+½	10.81	11.24
81½	60¼	Transport 3pc '78-88	80	+¼	3.78	7.90
99	91	Treas. 9½pc '88	92¾xd	+½	10.17	11.13
107⅞	79⅞	Treasury 11½pc 1989	100⅝	+⅝	11.56	11.62
85⅝	62½	Treasury 5pc '86-89	77⅞xd	+⅜	6.43	9.59
117¼	85⅞	Treasury 13pc 1990‡‡	108¾	+⅝	12.26	11.66
112	85⅝	Exch. 12½pc 1990	104	+⅝	12.05	11.70
98⅛	70⅛	Treasury 8¼pc '87-90‡‡	89¼	+½	9.50	10.92
110¼	77⅞	Treasury 11¾pc 1991	102¼	+⅝	11.73	11.70
84⅞	59¾	Funding 5¾pc '87-91‡‡	76½xd	+⅜	7.55	10.16
104¼	76½	Exch. 11pc 1991	96½xd	+⅝	11.31	11.52
116⅞	81⅞	Treasury 12¾pc '92‡‡	108½	+¾	12.01	11.61
102¼	70	Treasury 10pc 1992	94⅜	+⅝	10.71	11.79
112¾	80⅞	Exch. 12¼pc '92	104½	+¾	11.85	11.65
118¼	88⅝	Exchequer 13½pc '92	109⅞	+⅝	12.32	11.79
116½	80⅝	Treasury 12½pc '93‡‡	108	+¾	11.86	11.59
81½	56¼	Funding 6pc 1993‡‡	73⅝	+⅜	8.18	10.20
124¾	88	Treasury 13¾pc 1993‡‡	117½	+¾	12.20	11.63
128¼	91⅝	Treasury 14½pc '94‡‡	118¾	+¾	12.33	11.61
119¼	86¼	Exchequer 13½pc 1994	110½xd	+¾	12.04	11.69
115½	80⅝	Exch. 12½pc 1994	106⅞	+¾	11.84	11.60
96⅛	66¼	Treasury 9pc '94‡‡	92⅜	+⅝	10.10	10.65
113¾	76½	Treasury 12pc '95	105⅛	+¾	11.65	11.52
66¼	42⅝	Gas 3pc '90/95	61¼xd	+¼	4.84	7.95
103¾	68½	Exch. 10¼pc 1995	95½	+¾	10.96	11.22
116⅝	83¾	Treasury 12¾pc '95‡‡	113¾	+¾	11.70	11.38
127¾	86¼	Treas. 14pc '96	118¾	+1⅛	12.11	11.61
97	66⅝	Treasury 9pc '92/96‡‡	88⅞	+⅝	10.17	10.65
133	96	Treasury 15¼pc '96‡‡	123⅝xd	+1	12.20	11.51
120	86	Exchequer 13¼pc '96‡‡	117⅞	+1⅛	11.73	11.33
63¾	43⅝	Redemption 3pc 1986-96	58¾	+¼	5.11	8.07
124	83½	Treasury 13¼pc '97‡‡	115⅝	+1⅛	11.71	11.33
105½	69⅝	Exchequer 10½pc 1997	97⅝	+⅞	10.88	10.99
94⅛	64	Treasury 8¾pc 1997‡‡	86¼	+⅞	10.17	10.66
132¼	94¼	Exch. 15pc 1997	123½xd	+1	12.07	11.54
Over Fifteen Years						
79⅛	54½	Treasury 6¾pc '95-98‡‡	72⅞xd	+¾	9.19	10.25
138¾	99½	Treas. 15½pc '98‡‡	129½xd	+1	12.01	11.45
116⅝	78¼	Exch. 12pc 1998	110	+1	11.35	11.21
100⅝	66	Treasury 9½pc 1999‡‡	93¼	+¾	10.41	10.64
116	81¼	Exch. 12¼pc 1999	107⅞xd	+1	11.37	11.20
107	71⅛	Treasury 10½pc 1999	100⅞	+⅞	10.82	10.89
124¼	82¾	Treas. 13pc 2000	116⅛	+⅞	11.46	11.22
131	89	Treas. 14pc '98-01	123¾	+1⅛	11.78	11.37
116½	76½	Exch. 12pc '99-02	108⅞	+1	11.25	11.09
129½	85⅞	Treas. 13¾pc 2000-03	121⅛	+1	11.59	11.27
113¾	78¼	Treasury 11½pc '01-04	105⅝	+1⅛	10.93	10.82
50¾	44½	Funding 3½pc '99-04	46	+½	7.73	9.56
123¾	105½	Treasury 12½pc '03-05	116¾	+1	11.13	10.98
87¼	59¾	Treasury 8pc '02-06‡‡	80⅝xd	+¾	9.94	10.20
116⅞	75⅞	Treasury 11¾pc '03-07	109	+1⅛	11.00	10.89
128½	90	Treas. 13½pc '04-08	120xd	+1⅛	11.27	11.05
64	44⅛	Treasury 5½pc '08-12‡‡	59	+¾	9.37	9.88
85½	55⅝	Treasury 7¾pc '12-15‡‡	79¼	+¾	9.95	10.07
124	81⅛	Exch. 12pc '13-'17	116	+⅞	10.67	10.61
Undated						
42¾	27⅜	Consols 4pc	38¾	+½	10.49	—
37¼	26⅜	War Loan 3½pc‡‡	35⅜	+½	10.12	—
42	31½	Conv. 3½pc '61 Aft.	39½xd	+¼	8.86	—
32¾	21	Treasury 3pc '66 Aft.	29½xd	+¼	10.15	—
27	17¼	Consols 2½pc	24¼xd	+¼	10.29	—
26⅞	17⅝	Treasury 2½pc	24xd	+¼	10.41	—
Index-Linked & Variable Rate						
100⅝	99⅜	Treas. Variable '83	99 13/16	.....	10.67	10.53
					(1)	(2)
108¾	95	Treas. 2pc I.L. '88	104xd	.....	2.05	2.37
112	93	Do. 2pc I.L. '96	110	.....	2.43	2.56
103⅝	93¼	Do. 2½pc I.L. 2001	102xd	.....	2.40	2.49
102⅝	95½	Do. 2½pc I.L. 2003	102¼	.....	2.41	2.50
107	86⅝	Do. 2pc I.L. 2006	106	+⅛	2.37	2.45
103½	96	Do. 2½pc I.L. 2009	103	+⅛	2.40	2.47
110	90	Do. 2½pc I.L. 2011	108	+⅛	2.39	2.47
99¾	98½	Do 2½pc I.L. 2016	99⅛	.....	2.39	2.46

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
116¼	99¼	Australia 13½pc 2010	111	+¼	12.44	12.39
130	86	Euro Inv Bk 11pc Ln 2002	91¾	−¼	12.02	12.13
108¾	92¼	Finland 14½pc Ln 1986	105¼	+¼	13.78	12.39
30¼	21	Int-Am Dev Bk 12½pc 2003	28	+¼	12.96	12.99
109	90¾	Int. Bank 13½pc 1986	104¼	+¼	12.95	11.81
111½	97	Do. 14pc Ln 1987	106½	+¼	13.15	11.89
101¼	77⅞	Mex 16½pc 2008	82¼	.....	20.39	22.71
112½	98½	N.Z. 14½pc 1987	107¼	+¼	13.32	12.00
107½	90¾	Sweden 13½pc 1986	104	.....	12.98	11.82
31⅞	23½	Do. 13½pc Ln 2010	31¼	.....	13.22	13.18

CORPORATION LOANS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
102⅞	85	Bath 11¼pc 1985	99¼	+¼	11.33	11.56
104⅞	89¼	Birm'ham 12½pc 1985	101¾	−⅛	12.28	11.51
108⅞	87	Burnley 13pc 1987	103⅛	+⅛	12.60	11.97
134	81¾	Cardiff 11pc 1986	98	+¼	11.23	11.70
104¼	94⅝	G.L.C. 13¼pc 1984	102	+1/16	12.99	10.79
81¼	53¼	Do. 6¾pc 90-92	76	......	8.97	11.22
89	67½	Herts 6½pc 1985-87	84½	+¼	7.99	11.35
116	85	Leeds 13½pc 2006	110xd	+¼	12.26	12.17
100⅛	87½	Liverpool 9¼pc '80-84	98½	+⅛	9.90	11.19
31½	21½	D. 3½pc Irred.	27¾	......	12.80	—
104⅝	95½	Lon. Corp. 13¼pc '83	101 5/16	+1/16	13.05	10.58
99¼	82¼	Do. 9¼pc '84-85	96¼	+¼	9.61	10.98
94	78⅛	LCC 5½pc '82-84	93½	...	5.88	10.98
84⅞	64¼	Do. 5½pc '85-87	81½	+⅛	6.75	11.12
87	56	Do 6¾pc '88-90	78¼	....	8.79	11.53
26¾	19½	Do. 3pc '20 Aft.	24	......	12.08	11.27
104½	90¼	Sunderland 12¾pc 1984	101⅛	+⅛	12.82	11.36

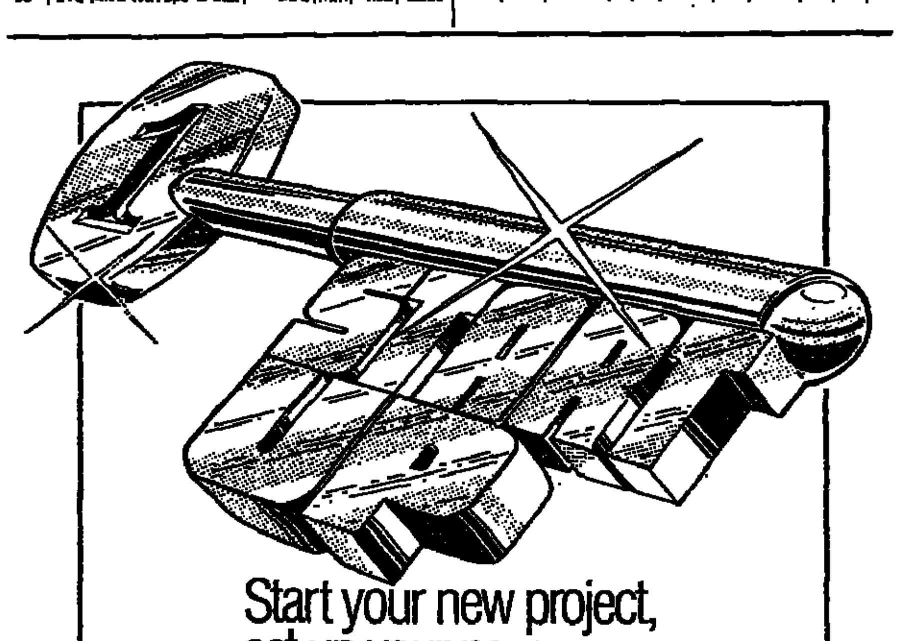
COMMONWEALTH AND AFRICAN LOANS

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
98⅞	85¼	Aust. 6pc 1981-83	98½	+⅛	6.21	11.39
83¾	57	N.Z. 7½pc 1988-92	75½	+¼	9.83	12.01
93½	74¾	Do. 7½pc '83-86	90⅛	−¼	8.51	12.04
167	136	S. Rhod. 2½pc Non-Ass.	160	......	—	—
80	58	Do. 3½pc 80-85 Assd.	77	......	4.55	15.00
55	32	Do. 4½pc 87-92 Assd.	47	......	7.54	15.90
402	318	Zimbabwe Ann (£100pd)	323xd	......	—	19.86

LOANS

Public Board and Ind.

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
77½	57¼	Agric. Mt. 5pc '59-89	75¾	....	6.71	10.61
38	24¾	Met. Wtr. 3pc 'B'	31¼	....	9.52	12.10



LOANS—Continued

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
Financial						
103¾	95½	FFI 14pc '83	101¼	....	13.76	11.18
95	80	FFI(UK Fn)6¾pcDb '81-84	95	.....	6.75	11.20
103½	82½	Do. 10¼pc Uns.Ln. '86	101	....	10.67	11.20
105	78	Do. 11pc Uns.Ln. '88	102	.....	11.06	11.10
106	78	Do. 11¾pc Uns.Ln. '90	101½	.....	11.90	12.00
108¼	82	Do. 12½pc Un. Ln 1992	101½	.....	12.34	12.30
85	54	Do. 7¼pc A Deb '89-92	76	.....	9.89	11.65
79½	53	Do. 7¼pcADeb. '91-94	73¼xd	.....	9.90	11.50
90	62	Do. 9pc 'A' '91-94	84xd	......	10.71	11.55
87¼	57 3/16	Do. 8¾pcLn. '92-97	81½	.....	11.10	11.70
Building Societies						
102¼	99⅝	Nat'wide 14¼pc 4.4.83	100⅛xd	......	—	—
102⅝	100 1/16	Do 14¼pc 25.4.83	100⅛xd	......	14.69	9.75
102¾	99 3/16	Do. 13⅞pc 23.5.83	100⅛	...	13.82	11.20
102⅞	100⅛	Do. 13 15/16pc 13.6.83	100⅝	...	13.88	11.71
102¼	100⅛	Do. 14pc 4.7.83	100¾	...	13.90	10.82
102¼	100⅛	Do. 13¼pc 25.7.83	100⅝	......	13.04	11.03
101½	99 11/16	Do. 11⅞pc 15.8.83	100¼	...	11.84	11.22
101	98⅞	Do. 11¼pc 30.8.83	100¼	......	11.22	10.63
101⅜	99¼	Do. 11⅜pc 3.10.83	100¼xd	......	11.35	10.83
100⅝	98¼	Do. 9 15/16pc 31.10.83	99⅜xd	......	10.00	11.12
99¾	98	Do. 9⅞pc 28.11.83	99¼	......	9.98	11.10
100¼	99⅛	Do. 11¼pc 19.12.83	100¼	......	11.22	10.92
100¼	99	Do. 11⅞pc 23.1.84	100½	......	11.81	11.25
100⅞	100	Do. 11⅞pc 13.2.84	100½	......	11.82	11.29

FOREIGN BONDS & RAILS

1982/83 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
17	8	Chinese 4½pc 1898	11	......	—	—
24	9	Do. 5pc 1912	10	......	—	—
14	6	Do. 5pc 1913	9	......	—	—
12	5½	Do. 5pc '25 Boxer	7	......	—	—
44	42	Greek 7pc Ass.	43	......	3½	8.25
42	40	Do. 6pc 28 Stb. Ass.	41	......	3	7.59
38	35	Do 4pc Mixed Ass.	38	......	2	5.27
35	25	Hung. '24 Ass	31½	......	2¼	f9.90
122	87½	Hydro Quebec 15pc Ln 2011	113	+1	15	13.88
75	58	Iceland 6½pc '83-88	75	......	6½	14.98
106	80	Do. 14½pc Ln. 2016	105	+½	14½	14.21
100½	87¼	Ireland 7½pc '81-83.	100½	+⅛	7½	11.35
87¼	62½	Do. 9¾pc '91-96	83	......	9¾	12.49
303	231	Japan 4pc '10 Ass	309	......	—	—
92	67	Do. 6pc '83-88	81½	......	6	10.59
161	161	Peru Ass. 2007	161	......	5.22	9.82
93¾	57½	Pet. Mx 14½pc '06.	60¼	......	14½	23.89
$79	$75	Turin 9pc 1991	$75	......	9	f12.00
DM90	DM84	Turin 6½pc 1984.	DM90	......	6½	11.40

AMERICANS

1982/83 High	Low	Stock	Price £	+ or −	Div. Gross	C'w	Y'ld Gr's
30⅛	13½	Abbott Labs.$	29¾	+¼	$1.00	—	2.2
23⅞	11¾	Alcoa $1	22⅛	+⅛	$1.20	—	3.6
25⅛	10	Amax $1	15½	−⅛	20c	—	0.8
29⅝	10⅛	Amdahl	27⅛	+⅛	40c	—	1.0
43⅜	15⅝	Amer. Express $0.60	42⅝	......	$1.80	—	2.8
*22¾	762p	Amer. Medical Intl. $1.	21⅞	−1¼	48c	—	1.5
23⅞	14⅞	Amer. Nat. Res. $1	23¼	......	$3.16	—	9.1
46⅛	28	American T. & T. Co.	44½xd	−⅝	$5.40	—	8.1

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا اصل الأصل

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS-Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	75	Falcon Rh 50c.	250		Q25c	20.3	6.4
33	16	Wankie Col. Z$1	19		tQ3c	1.2	9.9
28	12	Zam.Cpr SBD0 24	19		—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	10	♥ACM 20c	15		—	—	—
28	6	♥Argosy Gold NL 25c	6½		—	—	—
25	11	Balmoral Resources	14		—	—	—
63	42	♥Black Hill Mins.	42		—	—	—
151	52	♥Bond Corp.	60	−1	♦Q10c	2.3	10.2
154	58	♥Bougainville 1 Kina	135	+3	Q3 42	1.2	1.5
273	147	♥CRA 50c	260	+4	Q3c	—	0.7
154	10	♥Carr Boyd 20c	74		—	—	—
56	18	♥Central Pacific	18	−2	—	—	—
380	152	♥Crusader Oil	230		—	—	—
26	7	♥Cultus Pac NL	8		—	—	—

Tins

Miscellaneous

NOTES

1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.
Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	52	
Bertrams	17#	
Bdg'wtr. Est. 50p	525	−5
Craig & Rose £1	£12	
Finlay Pkg. 5p	37	
Graig Ship. £1	£18½	−½
Higsons Brew	105	
Holt (Jos.) 25p	910	
I.O.M. Stm. £1	85	
Pearce (C. H.)	£14	
Peel Hldgs.	182	+6

IRISH

Exch. 15pc 1983	£99¼	
Nat. 9¾% 84/89	£85⅞	
Fed 13% 97/02	£93	
Alliance Gas	105	
Arnott	180	
Carroll (P.J.)	97	
Concrete Prods.	48	
Heiton (Hldgs.)	13	
Irish Ropes	28	
Jacob	65	
T.M.G.	85	
Unidare	48	

OPTIONS

3-month Call Rates

Industrials	
Allied-Lyons	15
BOC Grp	17
B.S.R.	6
Babcock	18
Barclays Bank	35
Beecham	35
Blue Circle	44
Boots	22
Bowaters	19
Brit. Aerospace	20
B.A.T.	50
Brown (J.)	4
Burton Ord.	24
Cadburys	11
Courtaulds	8
Debenhams	8½
Distillers	28
Dunlop	5½
Eagle Star	38
F.N.F.C.	4
Gen. Accident	30
Gen. Electric	24
Glaxo	45
Grand Met	25
G.U.S. 'A'	50
Guardian	35
G.K.N.	15
Hawker Sidd	30
House of Fraser	15
I.C.I.	24
"Imps"	10
I.C.L.	8
Ladbroke	16
Legal & Gen.	28
Lex Service	16
Lloyds Bank	35
"Lofs"	4
London Brick	11
Lucas Inds.	12
"Mams"	12
Mrks. & Spncr	16
Midland Bank	30
N.E.I.	9
Nat. West. Bank	38
P & O Dfd.	14
Plessey	58
Racal Elect.	45
R.H.M.	6
Rank Org. Ord.	15
Reed Intnl.	26
Sears	9
T.I.	13
Tesco	8
Thorn EMI	38
Trust Houses	13
Turner & Newall	4
Unilever	65
Utd. Drapery	7
Vickers	12
Woolworth Hld	15
Property	
Brit. Land	7½
Cap. Counties	12
Land Secs.	26
MEPC	17
Peachey	14
Samuel Props.	10
Town & City	3
Oils	
Brit. Petroleum	26
Burmah Oil	12
Charterhall	5
KCA	8
Premier	4
Shell	35
Tricentrol	22
Ultramar	42
Mines	
Charter Cons	20
Cons. Gold	40
Lonrho	8
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling firmer on oil price news

Sterling improved in currency markets yesterday following proposals by BNOC of a 50c to 75c cut in the price of North Sea oil. This was seen as the sort of figure that was unlikely to provoke an oil price war with Nigeria. The dollar was a little easier overall as fears of higher U.S. interest rates abated to some extent. Trading was restricted by the proximity of the long Easter break.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.4540. February average 1.5735. Trade weighted index 78.5 against 78.1 at noon and 78.2 in the morning and compared with 78.2 on Tuesday and 91.5 six months ago. Sterling remains weak and vulnerable because of uncertainty about world oil prices, as fears of a possible price war between Britain and Nigeria continue to overhang the market.

Sterling opened at $1.4600 against the dollar and eased to $1.4550. At the time of the BNOC announcement it was trading around $1.4580 and moved sluggishly up to $1.4620 before slipping back to $1.4590. However, U.S. demand pushed it to a high of $1.4690 before attracting sellers which saw it fall to $1.4630 before closing at $1.4640-1.4650, a rise of one cent. Against the D-Mark it rose to DM 3.5575 from DM 3.5375 and SwFr 3.0525 from SwFr 3.03. It was also higher against the French franc at FFr 10.6450 from FFr 10.60 and Y351¼ compared with Y349¼.

DOLLAR — Trade weighted index (Bank of England) 122.6 against 123.5 six months ago. The dollar has shown renewed strength as a safe haven for funds during a time of extreme uncertainty over the effects of falling oil prices and upheaval within the EMS. U.S. interest rates have not fallen as once expected, partly because of the high level of Federal funding, while money supply growth and fears of a tightening of credit policies have kept the dollar firm.

The dollar closed at DM 2.4275 down from DM 2.4305 and SwFr 2.0830 compared with SwFr 2.0810. It fell against the French franc to FFr 7.27 from FFr 7.2875 and Y239.75 compared with Y239.95.

D-MARK — Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. February average 2.4260. Trade weighted index 131.3 against 125.1 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives the D-Mark room for further appreciation as it is currently placed at the bottom of the system.

The D-Mark remained the weakest member of the EMS yesterday with both the French franc and Irish punt fixed at their ceiling levels of DM 33.35 per FFr 100 and DM 3.16 respectively. The dollar was lower at DM 2.4234 against DM 2.4310 although it was a little firmer from opening levels. There was no intervention by the Bundesbank for the two strong EMS currencies or the dollar. Sterling was fixed lower at DM 3.53 compared with DM 3.5380 on Tuesday.

BELGIAN FRANC — Trading range against the dollar in 1982-83 is 50.21 to 38.12. February average 47.48. Trade-weighted index 95.1 against 93.6 six months ago. Emergency foreign exchange controls and heavy central bank support made it clear that the Belgian authorities had no intention of devaluing the franc in the latest EMS realignment despite the extreme weakness of the currency. The subsequent rvaluation was therefore not surprising and the National Bank has taken advantage of renewed EMS stability to cut its bank rate.

The Belgian franc showed a much steadier tendency yesterday and figures released by the central bank showed a repayment equivalent to BFr 9.3bn of borrowings used to defend the franc in previous weeks.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	44.3932	+0.06	−0.14	±1.5430
Danish Krone ...	8.04412	7.94345	−1.25	−1.45	±1.6419
German D-Mark	2.21515	2.23710	+0.99	+0.79	±1.0567
French Franc ...	6.79271	6.70944	−1.23	−1.43	±1.4018
Dutch Guilder ...	2.49587	2.51909	+0.93	+0.73	±1.4941
Irish Punt	0.71705	0.708326	−1.22	−1.42	±1.6696
Italian Lira	1386.78	1333.99	−3.81	−3.81	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Mar. 30	£	$		£ Note Rates
Argentina Peso...	97,756-97,956	67,000-67,050	Austria............	24.75 25.05
Australia Dollar...	1.6855 1.6875	1.1540 1.1545	Belgium	71.00-71.75
Brazil Cruzeiro...	606.09 610.09	415.46 417.54	Denmark............	12.50-12.62
Finland Markka...	7.9990-8.0390	5.4620-5.4640	France..............	10.53-10.68
Greek Drachma...	120.758 123.824	83.90-84.05	Germany............	3.51¼-3.55¼
Hong Kong Dollar	9.83¾-9.85¼	6.7180-6.7230	Italy	2085-2120
Iran Rial............	124.10*	85.10*	Japan................	348-353
KuwaitDinar(KD)	0.4265-0.4275	0.29245-0.2925	Netherlands........	3.96 4.00
Luxembourg Fr...	70.30 70.40	48.01 48.03	Norway	10.48-10.58
Malaysia Dollar...	3.3625-3.3725	2.2960-2.2980	Portugal............	138-155
New Zealand Dlr.	2.2470 2.2560	1.5355-1.5380	Spain................	189¾-204
Saudi Arab. Riyal	5.0220-5.0275	3.4505 3.4515	Sweden..............	10.94-11.04
Singapore Dollar	3.0550-3.0650	2.0865 2.0885	Switzerland	3.01½-3.04½
Sth.African Rand	1.6020-1.6035	1.0940-1.0950	United States.......	1.45-1.47
U.A.E. Dirham....	5.36105-3670	3.6720-3.6735	Yugoslavia..........	111-133

*Selling rates.

CURRENCY RATES

Mar. 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.739534	0.633944
U.S. $	8½	1.07691	0.933657
Canadian$...	9.51	*	1.13536
Austria Sch	3¾	18.3659	15.7483
Belgian F ...	11	51.7886	44.3932
Danish Kr ..	8½	9.26896	7.94345
D mark	4	2.60978	2.23710
Guilder	5½	2.93996	2.51909
French F......	9½	7.82860	6.70944
Lira	18	1556.33	1333.99
Yen	5½	258.243	221.031
Norwgn Kr ..	9	7.75375	6.65125
Spanish Pta	—	147.074	126.218
Swedish Kr	9	8.10375	6.93574
Swiss Fr	4	2.23857	1.91908
Greek Dr'ch	20½	90.4281	77.4763

*C$/SDR rate for March 29: 1.32359

CURRENCY MOVEMENTS

Mar. 30	Bank of England Index	Morgan Guaranty Change %
Sterling..................	78.5	−41.0
U.S. dollar...............	122.6	+12.5
Canadian dollar......	91.0	−17.1
Austrian schilling..	122.4	+31.8
Belgian franc	95.1	−0.4
Danish kroner	85.2	−8.4
Deutsche mark.	131.3	+58.5
Swiss franc..........	149.3	+104.2
Guilder................	119.1	+27.1
French franc.......	71.1	−22.4
Lira....................	52.4	−59.0
Yen....................	144.9	+38.5

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

THE POUND SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4550-1.4690	1.4640-1.4650	0.17-0.12c pm	1.19	0.40-0.35 pm	1.02
Canada	1.7880-1.8030	1.7980-1.7990	0.25-0.15c pm	1.33	0.54-0.44pm	1.09
Nethlnd.	3.97-4.01	3.99½-4.00½	2½-2c pm	6.75	6¾-6¼ pm	6.50
Belgium	70.00-70.60	70.30-70.40	5-15c dis	−1.70	28-38 dis	−1.88
Denmark	12.52-12.61	12.55¼-12.56¼	4-5¼ore dis	−4.42	9¼-10¼ dis	−3.16
Ireland	1.1170-1.1280	1.1250-1.1260	0.46-0.65p dis	−5.92	1.01-1.26dis	−4.03
W. Ger.	3.52½-3.56½	3.55¼-3.56¼	2-1½pf pm	5.90	5½-4¾ pm	5.48
Portugal	141.25-144.00	142.75-143.75	345-1230c dis	−65.97	615-2080dis	−37.63
Spain	198.70-200.35	199.75-199.95	120-240c dis	−10.81	380-540 dis	−9.21
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	10.48-10.57	10.54-10.55	2¼-3¼ore dis	−3.70	8¼-9¼ dis	−3.32
France	10.57-10.68	10.64-10.65	¾-2¼c dis	−1.69	4¼-5¼ pm	1.88
Sweden	10.95-11.05	11.01½-11.02½	¼ore pm-½ dis	−0.34	½-1¼ dis	−0.32
Japan	348-353	351-352	1.30-1.10y pm	4.10	3.80-3.60 pm	4.21
Austria	24.75-25.00	24.92-24.97	12¼-9⅞gro pm	5.29	26½-22⅞ pm	3.95
Switz.	3.02½-3.06½	3.04¼-3.05¼	2-1½c pm	6.88	5½-5 pm	6.88

Belgian rate is for convertible francs. Financial franc 71.75-71.85. Six-month forward dollar 0.63-0.58c pm. 12-month 0.95-0.80c pm.

THE DOLLAR SPOT AND FORWARD

March 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4550-1.4690	1.4640-1.4650	0.17-0.12c pm	1.19	0.40-0.35 pm	1.02
Ireland†	1.3010-1.3085	1.3010-1.3025	0.80-0.68c pm	6.80	1.70-1.45 pm	4.83
Canada	1.2280-1.2295	1.2280-1.2290	0.11-0.06c pm	0.83	0.11-0.06 pm	0.28
Nethlnd.	2.7235-2.7300	2.7270-2.7290	1.32-1.22c pm	5.59	3.65-3.55 pm	5.29
Belgium	48.00-48.14	48.01-48.03	10-14c dis	−3.00	30-35 dis	−2.70
Denmark	8.5945-8.6100	8.6000-8.6100	3¼-4¼ore dis	−5.23	7-8 dis	−3.49
W. Ger.	2.4170-2.4295	2.4270-2.4280	0.95-0.90pf pm	4.57	2.79-2.74 pm	4.56
Portugal	96.50-98.50	97.50-98.00	250-850c dis	−67.35	450-1450dis	−38.77
Spain	136.40-136.70	136.50-136.60	100-200c dis	−13.18	300-425dis	−10.61
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	7.1925-7.2075	7.1925-7.2025	2½-3½ore dis	−5.00	7.40-8.40dis	−4.39
France	7.2500-7.2775	7.2675-7.2725	1.60-1.90c dis	−2.89	5.20-5.80dis	−3.03
Sweden	7.5125-7.5300	7.5125-7.5225	0.80-1.30ore dis	−1.67	2.30-2.80dis	−1.35
Japan	238.90-240.00	239.70-239.80	0.63-0.58y pm	3.03	1.86-1.78 pm	3.04
Austria	17.00-17.05½	17.01-17.02	6.30-5.50gro pm	4.16	18¾-16¼ pm	4.11
Switz.	2.0725-2.0840	2.0825-2.0835	1.00-0.93c pm	5.56	3.06-2.99 pm	5.81

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 48.98-49.08.

EXCHANGE CROSS RATES

Mar. 30	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.465	3.558	351.5	10.645	3.053	4.000	2114.	1.799	70.35
U.S. Dollar	0.683	1.	2.429	240.0	7.269	2.084	2.731	1443.	1.228	48.04
Deutschemark	0.281	0.412	1.	98.81	2.992	0.858	1.124	594.2	0.506	19.78
Japanese Yen 1,000	2.845	4.166	10.12	1000.	30.28	8.684	11.38	6014.	5.117	200.1
French Franc 10	0.939	1.376	3.342	330.2	10.	2.868	3.758	1986.	1.693	66.09
Swiss Franc	0.328	0.480	1.165	115.2	3.487	1.	1.310	692.5	0.589	23.05
Dutch Guilder	0.250	0.366	0.889	87.88	2.661	0.763	1.	528.5	0.450	17.59
Italian Lira 1,000	0.473	0.693	1.683	166.3	5.035	1.444	1.892	1000.	0.851	33.28
Canadian Dollar	0.556	0.814	1.978	195.4	5.919	1.697	2.224	1175.	1.	39.12
Belgian Franc 100	1.421	2.082	5.057	499.6	15.13	4.339	5.686	3005.	2.557	100.

FINANCIAL FUTURES

$ prices firm

Eurodollar prices were firmer in the London International Financial Futures Exchange yesterday. Sentiment was influenced by movements in the cash market where rates fell partly due to removal of end of quarter distortions and also because of comments made by U.S. Treasury Secretary Donald Regan suggesting no good reason to see short term U.S. interest rates higher. There was certainly a feeling that recent nervousness within the market had to some extent been self generated although in defence the attitude of the Federal Reserve which remains crucial also remains shrouded in secrecy. Whether by design or accident this left the market to draw its own conclusions which has been to blame for recent nervousness.

Yesterday's June price opened at 90.40 up from Tuesday's close of 90.27 and touched a best level of 90.43 before finishing at 90.42.

Sterling based contracts were influenced by the BNOC announcement on North Sea oil. The latter gave sterling a much needed fillip and market sentiment was distinctly improved since the recent weak performance of sterling has often been cited as one of the principal obstacles in the way of an orderly decline in UK interest rates. The June price for short sterling opened at 89.75 up from 89.60 and reached 89.85 before finishing at 89.81.

Gilt prices showed more than a respectable performance, moving ahead of the cash market for a while. Sentiment was distinctly bullish with a number of chartist indications suggesting the possibility of further improvement in the short term. The June price touched a high of 103-20 after opening at 103-06 and closed at 103-18 up from 102-29 on Tuesday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.42	90.43	90.38	90.27
Sept	90.22	90.22	90.17	90.07
Dec	90.08	90.08	90.05	89.95
March	89.88	89.90	89.86	89.83
June	—	—	—	—

Volume 1,091 (1,359)
Previous day's open int 3,651 (3,644)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-07	76-20	76-06	76-08
Sept	75-23	76-03	75-22	75-23
Dec	75-09	75-20	75-09	75-10
March	74-30	75-06	74-30	74-31
June	74-20	74-29	74-20	74-21
Sept	74-13	74-23	74-13	74-13
Dec	74-06	74-10	74-06	74-06

MONEY MARKETS

Rates ease as sentiment improves

UK clearing bank base lending rate 10½ per cent (since March 15 and 16)

UK interest rates were a little easier yesterday as the market reacted with some relief to the latest BNOC announcement on the price of North Sea oil. Overnight interbank money opened at 10½-10¾ per cent and eased during the day to finish at 1 per cent.

The Bank forecast a shortage of around £250m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills—£228m and the unwinding of previous sale and repurchase agreements—£529m. There was also an increase in the note circulation of £115m. On the other hand Exchequer transactions added £545m to the system. The Bank gave assistance in the morning of £217m, making purchases of £66m of eligible bank bills in band 1 (up to 14 days) at 10$\frac{5}{16}$ per cent and £98m in band 2 (15-33 days) at 10¼ per cent. In band 3 (34-63 days) it bought £2m of Treasury bills and £51m of eligible bank bills all at 10$\frac{3}{16}$ per cent.

The Bank gave additional assistance in the afternoon of £28m comprising purchases of £21m of eligible bank bills in band 1 at 10$\frac{5}{16}$ per cent and £7m of Treasury bills in band 3 at at 10$\frac{3}{16}$ per cent.

In Paris the Bank of France left its money market intervention rate unchanged at 12¼ per cent when tendering to buy first category paper from the market. Call money was cut on Monday and then again on Tuesday to stand also at 12¼ per cent, with the Bank of France now having a little more scope for slowly reducing interest rates after the last EMS realignment effectively removed the sharp downward pressures exerted recently on the French franc.

In Amsterdam money market interest rates were a little firmer partly in reaction to market disappointment that U.S. interest rates were not falling as rapidly as had once been anticipated. However, the upturn in Dutch rates was seen as being temporary with pre-Easter demand for funds initiating a squeeze. Call money was quoted at 4-4⅛ per cent up from 3¾-4⅛ per cent on Tuesday while the one-month rate was firmer at 3⅞-4 per cent compared with 3¾-3$\frac{13}{16}$ per cent.

LONDON MONEY RATES

Mar. 30 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight......	—	1 10¾	—	—	—	5-10½	3-10¼	—	—	—
2 days notice	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10⅞-11⅛	—	—	—	—
7 days notice..	—	10¾-11	10⅞	—	—	11-11¼	10½	—	—	—
One month	10$\frac{15}{16}$-10$\frac{13}{16}$	10⅞-11	10⅞	11⅛-11¼	10$\frac{13}{16}$	11¼	10½	10$\frac{15}{32}$	10$\frac{15}{32}$	11$\frac{1}{16}$
Two months ...	10⅞-10¾	10$\frac{15}{16}$ 10$\frac{13}{16}$	10⅞	11⅛-11	10⅞	11⅛	10¼	10$\frac{13}{32}$	10$\frac{7}{16}$	11$\frac{1}{16}$
Three months .	10⅞ 10¾	10$\frac{15}{16}$-10$\frac{13}{16}$	10⅞	11⅛-10¾	10⅞	—	10⅛	10$\frac{11}{32}$	10$\frac{7}{16}$	10$\frac{15}{16}$
Six months	10$\frac{13}{16}$-10$\frac{11}{16}$	10¾ 10⅞	10¾	10⅝-10¼	10⅞	—	—	—	10$\frac{11}{32}$	10$\frac{27}{32}$
Nine months....	10$\frac{13}{16}$-10$\frac{11}{16}$	10$\frac{15}{16}$-10$\frac{13}{16}$	10¾	11-10⅝	10$\frac{15}{16}$	—	—	—	—	—
One year	10$\frac{13}{16}$-10$\frac{11}{16}$	10$\frac{15}{16}$-10$\frac{13}{16}$	10¾	10⅞-10⅝	10$\frac{15}{16}$	—	—	—	—	—
Two years	—	—	10⅞	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 (inclusive) 11.391 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅛ per cent; four years 11⅛ per cent; five years 11½ per cent. фBank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 10⅜ per cent; four months trade bills 11 per cent.

Approximate selling rate for one month Treasury bills 10$\frac{11}{32}$ per cent; two months 10$\frac{11}{32}$ per cent; and three months 10$\frac{7}{32}$ per cent. Approximate selling rate for one month bank bills 10½ per cent; two months 10⅜ per cent and three months 10¼ per cent; trade bills 10$\frac{21}{32}$ per cent; two months 10$\frac{11}{16}$ per cent and three months 10$\frac{21}{32}$ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from March 1 1982. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7½ per cent.

Treasury Bills: Average tender rates of discount 10.2272 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11 per cent; one-three month 11 per cent; three-six month 10¾ per cent; six-12 month 10¾ per cent. Under £100,000 10½ per cent from March 29. Deposits held under Series 3-5 10¾ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

MONEY RATES

NEW YORK

Prime rate 10½

NETHERLANDS

Discount rate 3½
Overnight rate 4-4½
One month 3⅞-4

FT LONDON INTERBANK FIXING

Offshore and Overseas—continued

CAL Investments (IoM) Limited
16 St Georges St Douglas IoM. 0624 25031

CAL Cm&C	101.1	106.5	....	4.47
CAL Metal	93.6	98.6	....	—

Dealing days every Monday.

CAL Investments (Bermuda) Limited
PO Box 1022, Hamilton, Bermuda

CAL CTR Fd	98.0	104.0	−0.7	—

Dealing days every Monday.

Perpetual U.T. Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74517

Offshr Gwth	$1.073	1.078	..	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey 0481 26741
OC International Reserves Ltd

Bel Frs	BFr830 48	+0.260	11.60
Canadian $	C$35 73	+0.010	7.28
D-Mark	DM50.045	+0.005	3.90
Dutch Guilder	Fl49.565	+0.005	3.17
French Frs	FFr156 265	+0.050	10.63
Italian Lire	L34.859	+16	17.12
Japanese Yen	Y8,146.17	+1.00	5.96
Singapore $	S$62.015	+0.020	4.63
$ Sterling	£13 859	+0.003	8.94
Swiss Francs	SwFr4 256	+0.004	3.11
U.S. $	$28.45	+0.005	8.42

Daily dealings.

For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd.

Sterling	£13.5280	+0.0258	—
U.S. Dollar	US$28 576	+0.0382	—
D-Mark	DM30.4086	+0.0370	—
Swiss Franc	SFr60.1506	+0.0359	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda

T-G Am	$27.32	—	....	—
T-G Money	$20.86	—	....	—
T-G E bond	$15 58	—	....	—
T-G Com	$22 14	—	....	—
T-G Mort	C$18.85	—	....	—
T-G O'seas	$10.96	—	....	—
T-G Pacific	Y1,752	—	....	—
T-G WallSt	$23 07	—	....	—

COMPANY NOTICES

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE
CANADA-UNITED KINGDOM FREIGHT CONFERENCE

NOTICE TO SHIPPERS AND IMPORTERS
CHANGES IN CONSTRUCTION AND USE REGULATIONS
1ST MAY 1983

The Member Lines of the above Conferences wish to announce that, concurrently with the introduction on 1st May 1983 of new Construction and Use Regulations permitting, under certain circumstances, the use of heavier vehicle loads within the United Kingdom, a scale of rates is being introduced in respect of the inland haulage of containers where the combined gross weight of the container and its contents exceed 24,000 kilos. These rates are being introduced with effect from 1st May 1983 and will be applicable subject to the availability of equipment and transport facilities to the Member Lines in providing the requisite services.

The level of these rates will be reviewed prior to 31st July 1983 in the light of operating experience.

Current inland haulage charges applicable to combined container and cargo weight loads of up to 24,000 kilos will remain unchanged.

Further details may be obtained from the Member Lines.
Atlantic Container Line G.I.E.
Canadian Pacific Steamships Ltd.
Dart Containerline (Canada) N.V.
Hapag-Lloyd AG.
Manchester Liners Ltd. } Joint
Golden Cross Line } Membership

CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD., Secretaries.

Cunard Building,
Liverpool L3 1DS.
March 1983.